Daily Report

Latin America

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Cuba

Commentary Views Appeal by Group for End to U.S. Blockade

PA0903151093 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Mar 93

[Roberto Morejon commentary]

[Text] The appeal to the UN Commission on Human Rights, by three nonprofit organizations, asking it to urge the United States to end its economic blockade of Cuba would receive much more coverage by the international media if the United States did not use its resources to spread slander about the island. The International Women's League for Peace and Liberty, the Union of Arab Lawyers, and the South American Indian Council—recognized as UN consultative organizations—challenged the UN Commission on Human Rights' 48th session to urge Washington to suspend its economic blockade of Cuba. According to the three nongovernmental organizations, whose appeal was practically ignored by the most influential media, the U.S. measure against Cuba is an inhuman action toward which the world remains somewhat indifferent.

The scope of the blockade criticized by the UN Assembly General in 1992 could be a prominent topic during the annual Geneva meetings on human rights, but the United States neutralizes any reference to the topic through pressure and blackmail. It is precisely the United States that has submitted to the Geneva meeting a draft resolution that condemns Cuba for alleged transgressions against citizens' rights. Nevertheless, Washington has become the leading violator of the Cuban people's rights for more than 30 years. The determination of eight U.S. Administrations to economically strangle the Cubans provoked the loss of Cuba's traditional sugar market, the geographical relocation of their trade, an increase in freight expenses, and the inability to use dollars or have accounts in dollars abroad.

Furthermore, the blockade forced Cuba to cut back on industrial, transportation, and construction equipment manufactured in the United States. In fact, it led to changes in technology and the replacement of household appliances, and it limited the competitiveness of Cuban products. The economic blockade established by the White House caused losses in excess of $40 billion for Cuba and denied the island access to food and medicine which, in some specific cases, can only be purchased on U.S. territory. The appeal by three nongovernmental organizations to end the blockade clearly indicated in Geneva that the cold war has ended; and a world power's plans to vanquish the government of a small country—and to condemn its people to a state of extreme poverty—can no longer be allowed.

Latin American Nations Vote in Favor of Cuban Proposal

FL1003014693 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Mar 93

[Text] Today, the countries of Latin America, members of the UN Commission on Human Rights, voted unanimously in favor of a draft resolution presented by Cuba during the organization's 49th session, which is being held in Geneva. The document refers to the 11th topic of the work schedule on the subsequent promotion and encouragement of human rights and basic liberties, including the issue of the commission's program and work methods.

The vote on the resolution clearly showed a clear confrontation between the North and the South. After stating many objections to the document, representatives from the more developed countries proposed a nominal voting, in other words that each delegation publicly express itself. Once the process was carried out, the result was 33 votes in favor, 16 against, and three abstentions.

Havana Notes Chinese Communist Party Plenum Concludes

FL1003022193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 8 Mar 93

[Text] In Beijing today, the Central Committee of the Chinese Communist Party [CCP] finished holding a plenum that approved the list of candidates for the principal state and governmental posts. That document must now be ratified in the legislature, which is to begin work on 15 March. The plenum was presided over by CCP Secretary General Jiang Zemin.

A communique issued at the end of the plenum calls for unity and for the buttressing in China of stability and of the political-ideological work.

Brazilian Teachers, Businessmen Begin Visit

FL1003024193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Mar 93

[Text] A delegation from the Brazilian state of Parana is visiting Cuba to express its solidarity and explore the possibilities of developing bilateral ties of cooperation in areas of science and technology.

[Begin recording] [Correspondent Hilda Prieto] The delegation from the Brazilian state of Parana is made up mostly of university teachers, but it also includes businessmen. Impressed by Cuba, where education and health are basic civil rights, the visitors were touched as they spoke of Latin American reality and of Brazil, where, for example, over 30 million people are illiterate.

[First unidentified speaker in Portuguese with simultaneous translation into Spanish] We, who make up the Brazilian left, can see in Cuba an example for the development of the peoples, for their liberation, and the

effective autonomy before the large economic groups, especially the U.S. imperialism.

[Second unidentified speaker] We have come to Cuba and we have found a people that struggle and a people that we admire very much. We did not see the situation of misery that people in other countries experience. The truth is that we want to be in solidarity with Cuba but I think that, with the little we have seen of Cuba, Cuba will have to help us to learn to struggle more. We are amazed that a country that is living through such a cruel embargo as this one is able to find the strength to fight for a true democracy.

[Hilda Prieto] Besides visiting places of economic and social interest, the delegation from Parana, Brazil, will hold talks with party and government officials. [end recording]

Maritime Transportation Agreement Signed With Algeria

FL1003025493 Havana Cuba Vision Network in Spanish 0100 GMT 10 Mar 93

[Text] Cuba and Algeria signed, in Havana on the afternoon of 10 March, an agreement on the transportation of cargo and passengers by sea. The agreement governs and stipulates both parties' obligations during port operations aimed at providing services to vessels and crews and in the transporting of cargo and passengers by sea.

The agreement was signed by Division General Senen Casas Regueiro, minister of transportation, and Mr. (Abdel Aziz Yadi), ambassador of the Democratic and Popular Republic of Algeria.

Mitrans [Ministry of Transportation] head Casas Regueiro said: This five-year agreement deepens the relations between Cuba and Algeria and is signed at a juncture difficult and complex for both countries.

For his part, the Algerian diplomat expressed the hope that the relations of friendship between Cuba and Algeria will grow even stronger, and said that the agreement contributes to that noble objective.

Roundup of Politburo Members' Activities 3 - 8 Mar

FL0903160693

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 3 March and 8 March.

Cuba Vision Network at 0100 GMT on 3 March reports that Division General Ulises Rosales del Toro attended the Central Army Military Council meeting held in Ciego de Avila Province and presided over by Revolutionary Armed Forces Minister Raul Castro.

Radio Rebelde at 1800 GMT on 3 March reports that Carlos Lage, accompanied by a group of deputies to the National Assembly, participated in the celebration of the 7th anniversary of the Celia Sanchez Senior Citizens Center in El Vedado, Havana.

Radio Rebelde adds that Pedro Ross Leal participated in a ceremony in tribute to the 28th anniversary of the millionaire movement at Duli Morales Mill in Jaguajay Municipality, Sancti Spiritus Province. Radio Reloj at 2055 GMT on 4 March reports that Pedro Ross Leal presented a millionaire banner to the Pedro Soto Alva sugarcane cutting brigade during a ceremony in Palmira Municipality in Cienfuegos Province.

Radio Rebelde at 1000 GMT on 4 March reports that Alfredo Jordan Morales participated in a final sugarcane harvest production estimate meeting in Las Tunas Province, during which he said that with the same success that the 24 February elections were conducted, the workers will fulfill their sugarcane harvest goals.

Radio Rebelde at 0000 GMT on 5 March reports that Esteban Lazo Hernandez chaired a ceremony to present a national vanguard banner to Brigade No. 1 of the Union of Caribbean Construction Enterprises.

Rebelde adds that Army General Raul Castro conducted a brief visit to farming projects in Camaguey in the company of Central Committee members Lazaro Vasquez, Division General Ramon Espinosa, and Jorge Risquet.

Radio Reloj at 2030 GMT on 7 March reports that Revolutionary Armed Forces Minister Raul Castro and Esteban Lazo attended the ceremony to constitute the Provincial Assembly of the People's Government for Santiago de Cuba Province. Both spoke at the ceremony.

Reloj further reports that Jorge Lezcano made the closing speech at the Havana ceremony forming the provincial assembly for the city of Havana on 7 March, pointing out that it is the Cuban masses themselves who constitute the victory that has been achieved. Mirta Cardona, president of the provincial electoral commission, was designated assembly secretary.

Reloj notes that Nelson Torres spoke at the comparable ceremony in Cienfuegos Province.

Radio Rebelde at 1000 GMT on 8 March reports that Pedro Ross Leal participated in the provincial conference of the Metallurgy and Electronic Workers Union held at the Rancho Boyeros Electronic Industry Enterprise, where he urged workers to present ideas at their seventh congress to help Cuba continue developing through the special period.

Roundup of Economic Activity Reported 27 Feb - 9 Mar

FL0903160893

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 27 February and 9 March.

Radio Rebelde at 1255 GMT on 27 February notes that the sugar industry workers union in Ciego de Avila Province is planning to distribute over 2,700 electrical and other home appliances to those workers who prove to be most outstanding in the current sugar harvest. Among the articles to be distributed as incentives are both black and white and color television sets, washing machines, fans, mixers, bicycles, radios, watches, and sewing machines.

Rebelde also reports that the first workshop on the use of Cuban crude oil has just been held in Moa. The workshop was sponsored by the nickel industry workers union to pool experience "with a view to introducing the use of this Cuban fuel in its plants in the future." The nickel workers union plans to use Cuban crude as an alternative fuel in the Che Guevara plant in Moa and the Rene Ramos Latour plant in Nicaro, Mayari Municipality.

Rebelde further reports that the shipyard in La Coloma has begun laminating parts to be used in building plastic boats.

The station's Camaguey correspondent reports that a food plan development work group at the Triangulo Cinco Livestock Enterprise is utilizing formerly discarded animal parts to make sausages and other food products. Production in 1992 was 46 tons, 8 tons of which consisted of sausages. Everything produced goes to the 11 workers cafeterias of the Triangulo Cinco Livestock Enterprise, where one substantial meal per day is provided to over 1,700 workers.

Radio Reloj at 2030 GMT on 5 March reports that an eighth sugar mill, the Nicaragua Agroindustrial Sugar Complex in Banes Municipality, has now begun grinding operations in Holguin Province. The radio notes that the mill's "start 52 days after the originally scheduled date was due to a lack of indispensable material resources, such as tires and batteries for the harvesting equipment." The Guatemala and Frank Pais mills are expected to begin grinding operations soon, at which point all the province's productive capabilities will be in operation; work is expected to continue until June.

Reloj reports, further, that the sugar harvest made "middling" progress in Granma Province in the last 10 days of February. The lack of electricity, fuels, and other resources, as well as the rainfall, are among the main factors responsible for "the current low results."

Cuba Vision Network at 2320 GMT on 5 March reports that the Spanish Institute for Ibero-American Cooperation today presented Cuba's National Tourism Institute with a donation of $100,000 to be used to rebuild the Sevilla Hotel. Reconstruction is expected to be completed in July.

The network further reports that the enterprise (Turoteles), one of the National Institute of Tourism's [Intur] most outstanding, brought in $41.6 million in 1992, a 33.8 percent increase over 1991. (Turoteles) received 24,745 more tourists in 1992 than in 1991. Tips for that year came to $129,470. Guest capacity also increased by 1,109 rooms in 1992. Jorge Lezcano and Intur president Raphael Sed Perez congratulated (Turoteles) workers on their achievements.

Radio Rebelde at 0000 GMT on 6 March reports that, as part of a joint venture, an economic group from Spain is going to take over the management of the Habana Libre Hotel, one of the largest and most centrally located hotels in Havana. Cuban tourism authorities have explained that the National Tourism Institute and the Spanish firm (Guitar) have agreed that (Guitar) will finance a remodeling of the hotel, in addition to reorganizing the hotel's management. The firm intends to make the hotel into a five-star hotel and revive its capacity to host conventions.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 7 March report that Melena del Sur's potato harvest, begun a few days ago, is showing very good results. Present yield is 6,000 quintals per caballeria. Over 5,000 quintals are being gathered daily; this figure is expected to increase by next week, when the harvest begins to peak. However, transportation is still insufficient and uncollected sacks are lying in the fields. Melena del Sur is one of Havana Province's three big potato producers.

Radio Progreso at 1200 GMT on 9 March reports that the Granma Province cold-season planting campaign closed with 665 caballerias planted in rice, surpassing past campaigns by 200 caballerias. The goal of 960 caballerias was not reached because of fuel and lubricant shortages.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 8 March report that the construction materials industry is using Cuban crude oil in four of the nation's six cement factories, i.e., in those employing wet-process technology. The other two plants, which use dry-process technology, are carrying out tests with a view to using Cuban crude.

Radio Progreso at 1200 GMT on 8 March reports that National Science Institute researchers have put into operation 12 new technologies that increase coffee yields to 15 tons, two tons higher than the current national average, and are performing ecological studies to increase production and reduce weeds in mountainous regions.

Radio Rebelde at 1000 GMT on 9 March reports that the Las Marianas women's coffee brigade has picked 7,000 cans of coffee in the El Escambray region. In Granma Province, 10 sugar mills have reached 67.4 percent

production, the best in the country. According to a Minaz provincial official, the sugar produced to date represents 54.2 percent of the total production plan of the special period. He believes it possible to reach 100-percent production by the end of May and then to help other provinces reach their goals.

Dominican Republic

* ONAPRES Reports on Revenues, Expenditures

* November 1992

93CA0065A Santo Domingo EL CARIBE in Spanish 29 Dec 92 pp 1, 4

[Text] Government income last November came to a total of 1,680,047.035 Dominican pesos, the National Budget Office (ONAPRES) has reported.

The income last month exceeded that in the month of October, when some 1.358 billion Dominican pesos were collected, by 320 million Dominican pesos.

According to the monthly reports, the government had income of about 14.99 billion Dominican pesos last month. The total collected in the first 11 months of this year exceeds by 4.048 billion Dominican pesos the income for the 12 months of last year, when 10.942 billion Dominican pesos were collected.

Of the 14.99 billion Dominican pesos collected in income by the government up to November, 194.9 billion came from foreign resources. The Draft Income Budget and Public Expenditures Law for the year just ending included an income figure of 2.0267 million Dominican pesos for this category.

The income obtained by the government last November is the highest obtained this year, followed by the income in April, which came to 1.5741 billion Dominican pesos, and the July income, which came to 1.5681 billion Dominican pesos.

The ONAPRES report giving details of the distribution of the income last month reads as follows:

"The National Budget Office, with a view to keeping the public informed about the state income and expenditures for the month of November 1992, is making public the details pertaining to this segment of the current budget year.

"The strategy of the current government, which is headed by Dr. Joaquin Balaguer, the president of the Republic, calls for the allocation of the public funds to the basic priorities established in the agricultural, irrigation, drinking water, energy, health, and education sectors, without excluding other primary sectors involved in the harmonious development and progress of the national economy.

"The national income in the period in question came to 1,680,047,035 Dominican pesos, of which 874,594,859.09 Dominican pesos were allocated to investment.

"The agricultural, irrigation, and energy sectors received the sum of 146,544,809 Dominican pesos. The National Institute of Water Resources (INDRHI), in particular, was given the sum of 59,000,028 Dominican pesos for the construction and oversight of the Jiguey-Aguacate Dams and the Sabaneta Dam project, as well as the construction and repair of canals and the maintenance of other dams.

"The Dominican Electricity Company received an allocation of 30,216,353.38 Dominican pesos to cover the commitments of that institution, and as a contribution to the improvement of the energy system in our country.

"The Dominican Agrarian Institute (IAD) was given 20,954,521 Dominican pesos for the direction of various projects and the financing of various farm programs. The Special Fund for Agricultural-Livestock Development (FEDA) received 1,440,190.25 Dominican pesos for the intensification of the programs to support farm production and other related purposes. The La Cruz de Manzanillo project received 2,178,188 Dominican pesos for the planting of various farm crops; the National Cotton Institute had an allocation of 1 million Dominican pesos; the Secretariat of State of Agriculture was given 31,031,020 Dominican pesos; and the State Sugar Council received 75 million Dominican pesos to cover its commitment for the preceding harvest.

"The National Institute of Drinking Water and Sewage was allocated the sum of 32,887,139.07 Dominican pesos for the direction of various projects.

"The Central Bank of the Republic received 238 million Dominican pesos for payment of the public debt and for the strengthening of our currency, and the president allocated the sum of 241.7 million Dominican pesos for demonetization. The Santo Domingo Waterworks and Sewage Corporation received an allocation of 92,528,689 Dominican pesos for the construction of the Valdesia-Santo Domingo and Cibao Central Aqueducts and other projects.

"And, finally, the Secretary of State of Public Works and Communications received allocations totaling 251,650,134 Dominican pesos; the Office of State Project Supervisory Engineers received 43,547,685 Dominican pesos; and the Office for the Coordination and Supervision of State Projects received 35 million Dominican pesos for the execution of projects and programs of social and economic interest throughout the Republic, including housing, airport, port, free zone, aqueduct, sewage system, highway, secondary road, street maintenance, and historic monument projects."

* December 1992

93CA0065B Santo Domingo EL CARIBE in Spanish 29 Jan 93 pp 1, 4

[Text] Government income last December came to a total of 1,558,429.209 Dominican pesos, the National Budget Office (ONAPRES) has reported.

Of this total, the ONAPRES report indicates, 871.7 million Dominican pesos were allocated to investment.

The sum collected in December was less by about 120 million Dominican pesos than the income in November, when the central government collected 1,680,047,035 Dominican pesos.

With the December segment, the domestic income of the government in 1992 came to a total of 15.2397 billion Dominican pesos. The income from foreign resources amounted to 1602 million over the course of the year.

The full text of the ONAPRES report giving the details of budget execution for December of last year reads as follows:

"The National Budget Office, with a view to keeping the public informed about the income and expenditures of the state for the month of December 1992, is making public the details pertaining to this segment of the current fiscal year.

"The strategy of the current government, which is headed by Dr. Joaquin Balaguer, the president of the Republic, calls for the allocation of public funds to the basic priorities established in the agricultural, irrigation, drinking water, energy, health, and education sectors, without excluding other primary aspects involved in the harmonious development and progress of the national economy.

"The national income for the period in question came to 1,558,429.209 Dominican pesos, of which 871,792,316.23 Dominican pesos were allocated to investment.

"The agricultural, irrigation, and energy sectors received allocations totaling 158,880,101.87 Dominican pesos. The National Institute of Water Resources (INDRHI), in particular, received the sum of 43,337,961.12 Dominican pesos for the construction and oversight of the Jiguey-Aguacate Dams and the Sabaneta Dam project, as well as the construction and repair of canals and the maintenance of other dams.

"The Dominican Electricity Corporation received 34,203,255.87 Dominican pesos to cover the commitments of that institution and as a contribution to improving the energy system of our country.

"The Dominican Agrarian Institute (IAD) received 20,234,108.09 Dominican pesos for the execution of various projects and for the financing of various farm programs. The Agricultural Bank received an allocation of 60 million Dominican pesos for the support of the small producers in Azua and for the purchase of rice for use in the Government Social Programs. The Special Fund for Agricultural-Livestock Development (FEDA) received 1,440,190.25 Dominican pesos for the intensification of the support programs for farm production and other related purposes. The La Cruz de Manzanillo project received 2,178,188 Dominican pesos for the planting of various farm crops; the National Cotton Institute received 1 million Dominican pesos; the Secretary of State of Agriculture received 20 million Dominican pesos; and the State Sugar Council received 25 million Dominican pesos to cover the commitment for the 1992-93 harvest.

"The National Institute of Drinking Water and Sewage received the sum of 32,870,776.86 Dominican pesos for the execution of various projects.

"The Central Bank of the Republic received 239 million Dominican pesos for payment of the public debt and for the strengthening of our currency. The president allocated the sum of 130 million Dominican pesos for demonetization. The Santo Domingo Waterworks and Sewage Corporation received an allocation of 94,026,228.46 Dominican pesos for the construction of the Valdesia-Santo Domingo and Cibao Central Aqueducts and other projects.

"And, finally, the Secretary of State of Public Works and Communications received allocations totaling 268,878,937.49 Dominican pesos; the Office of State Project Supervisory Engineers received 53,296,207.57 Dominican pesos; and the Office for the Coordination and Supervision of State Projects received an allocation of 34,052,435.45 Dominican pesos for the administering of projects and programs of social and economic interest throughout the Republic. These include housing, airport, port, free zone, aqueduct, sewage network, highway, secondary road, street maintenance, and historic monument projects."

Haiti

More OAS/UN Observers Arrive; Deputy Saint-Fort Comments

FL0903170993 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Mar 93

[Excerpts] Another 20 international observers representing the OAS and the United Nations have been in the country since 7 March, the second group of civilian observers who have entered the country since 14 February following the signing of an agreement by international mediator Dante Caputo and consensus Prime Minister Marc Bazin. Concerning the presence of this civilian mission in the country, Deputy Denis Saint-Fort has proposed that the observers do not defend one camp, because everybody deserves protection. In Saint-Fort's opinion, the civilian observers risk playing a military role if they start ensuring the people's security, because this is not the mission for which they came to the

country. There are many cases of violations. However, the biggest violation is the fact that the people are starving to death due to the embargo imposed on the country, says Deputy Denis Saint-Fort, adding that he has never agreed with the presence of the civilian mission in Haiti.

[Begin Saint-Fort recording] [passage omitted] I really believe that if they (?have come here) to do a job, it is not to defend Bazin; it is not to defend senators; it is not to defend Aristide and his partisans; and it is not to defend senators, deputies, and their partisans. They must [words indistinct] with all Haitians in general in the country. Then we will [be able to] say they are doing a great job. [passage omitted] [end recording]

Professors, Students Call for Strike at University

FL0903212593 Port-au-Prince Radio Metropole in French 1145 GMT 9 Mar 93

[Text] Regarding the crisis at the university, the School of Human Sciences is initiating a general strike, following a meeting of many participants on 4 March. The professors and students of this faculty have decided to totally curtail classes until there is a complete withdrawal of all the measures that have been taken against the University of Haiti since 27 November 1992.

In the excerpts of the resolutions adopted, the school's mixed assembly invites the professors and the students of the other faculties to begin immediately a general strike in each of the university's branches. The assembly also expressed its solidarity to the different sectors and people, who have been effected by the offensive which started with the dismissal of the elected dean of the School of Medicine in November 1991, and who have faced an insane acceleration since the 27 November dismissals and the appointment in December of Mr. Gerard Bissainthe as head of the directorate, end of quote. [no reference to opening of quotation as heard]

IDC Congress Supports Lifting Embargo, Calling Elections

FL0903180493 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Mar 93

[Text] The International Christian Democracy, IDC, has passed a resolution asking—among other items—that the international community lift the embargo on Haiti and that new elections be held in the country. The IDC, meeting in Brussels in its 10th World Congress, said it condemns the coups that occurred in Haiti in June 1988 and September 1991 as well the embargo ordered against the country by the OAS, because the poorest people are the most victimized. According to IDC leaders, the international community should not confuse solidarity and interference.

They ask countries friendly to Haiti to allow all sectors in the country to come together to consider a solution to the political crisis. The IDC believes this solution must be in compliance with Haiti's dignity and independence. In this regard, IDC member countries, who believe the political solution should come from within the country, propose that new elections be held in Haiti. The people can express their wish through democratic elections to be held when the people are quite prepared.

The 10th IDC World Congress gathered christian democrat leaders from all over the world. Among them was Professor Leslie Manigat, representing the Assembly of Progressive National Democrats, RDNP. Manigat, who left the country in late February to participate in the IDC congress, returned to Haiti on 7 March.

Jamaica

Patterson Announces 30 Mar General Elections

FL1003131793 Bridgetown CANA in English 1159 GMT 10 Mar 93

[Text] Kingston, Jamaica, March 10, CANA—Jamaica Prime Minister P.J. Patterson Tuesday night called general elections for March 30 and pledged his party to keeping violence out of the campaign.

Said Patterson at a mass rally of his Peoples National Party (PNP) in Kingston: "People are demanding that politicians deal with their problems in a serious manner. They are demanding an end to political violence... We in the PNP will do everything to ensure that there is no violence in this election campaign." Nomination day is March 12.

Parliament was prorogued on Tuesday, clearing the way for the poll, which will essentially be a two-way fight between the PNP and the main opposition Jamaica Labour Party (JLP), led by former prime minister Edward Seaga. Both parties will field candidates in all 60 constituencies.

The election was called one year before the expiration of the PNP government's five-year term. It will also take place one year to the date that Patterson was sworn in as prime minister of Jamaica following the retirement of Michael Manley, who led the PNP back to power in the last general election in 1989. Patterson, seeking his own mandate as PNP leader and prime minister, will be capitalising on what opinion polls here say is a wave of popular support. The PNP came to power in 1989 under Manley's leadership. Patterson, has been busy building his support base during the past year with a series of town hall-type meetings, dubbed "live and direct," at which he has fielded questions from constituents.

A February poll showed 67 percent of the respondents felt that Patterson was doing a good job as prime minister, compared with 38 percent who said that Seaga would be better. That same poll, done under the name of Carl Stone, the respected opinion surveyor who was seriously ill at the time (Stone died a week ago), also showed the PNP with a 12-point lead over the JLP, four points higher than October, despite the severe economic

and social problems facing most Jamaicans. The JLP has questioned the published results of the latest poll.

Netherlands Antilles

Antigovernment Protests Noted in St. Maarten

FL0903234293 Bridgetown CANA in English 2228 GMT 9 Mar 93

[Text] Philipsburg, St. Maarten, March 9, CANA—Anti-government protesters staged demonstrations and blocked roads on St. Maarten for the second straight day on Tuesday to force the resignation of the Dutch territory's coalition government. A group called the United St. Maarten Organisation which organised the protest, said it had the support of concerned citizens here and would continue its present action until its demands are met.

Among other things, the group is calling for the immediate dissolution of the St. Maarten Executive and Island Councils, withdrawal of the present management structure for the electricity and water services, and the resignation of their board of directors. The group is also calling for new island council elections to, in its words, restore confidence in government.

The protests coincide with a major conference on the constitutional future of the Dutch Caribbean Islands. The meeting, which started Monday on the island of Curacao, is being chaired by the Dutch Prime Minister Ruud Lubbers. The lieutenant governor of St. Maarten said the protest had caused severe disruption to daily life here.

St. Lucia

Ministry To Correct Illegal Practices by Foreign Firms

FL0903163793 Bridgetown CANA in English 1528 GMT 9 Mar 93

[Text] Castries, St. Lucia, March 9, CANA—A junior St. Lucia Government minister Tuesday charged that some foreign businesses were operating here illegally.

The minister of state in the Ministry of Trade, Rufus Bousquet, said some foreign businesses were operating under the guise "of being local entities while they are in fact foreign-owned companies."

He said these businesses were also establishing themselves in areas reserved exclusively for local enterprises.

"My ministry intends to take all the necessary steps to correct the illegitimate business practices taking place in this country," Bousquet told the Government Information Service's (GIS) radio programme.

He noted that some of the laws which the unnamed foreign companies were circumventing had "been in operation for a very long time and as a result...some of them are irrelevent and some lack the necessary measures to make them meaningful".

"As far as that particular issues goes, we are currently holding discussions...with the Attorney General's Office with a view to making persons who conduct such illegal activities, to bring them on the right track."

"Legislation is a tool, but enforcing it is really the key...I will do my best to protect the rights of St. Lucians," he said.

Trinidad and Tobago

Government To Begin Scheduled Repayment of Debt

FL0903163193 Bridgetown CANA in English 1406 GMT 9 Mar 93

[Text] Port of Spain, Trinidad, March 9, CANA—The Trinidad and Tobago Government says it will begin repaying the principal on the country's rescheduled foreign commerical debt this month.

A statement from the Ministry of Finance said the first payment of US 28.25 million dollars was due on the last business day in March.

The total debt of US452 million dollars, according to the ministry, must be repaid in 16 equal semi-annual installments in March and September of each year, with the final payment due on September 31, 2000.

In December 1989, government entered into an agreement with foreign commercial banks creditors including Japanese, German and American interests, to reschedule a total of US452 million dollars in commercial debt.

Repayment of principal on Trinidad and Tobago's commercial debt which fell between September 1, 1988 and August 31, 1992, was postponed for a period of four years and seven months.

The grace period ended in March 1993, but during the period government continued to pay the interest on the debt.

In addition to the repayments to the commercial debt, government this year will repay approximately US153.4 million dollars to the International Monetary Fund (IMF).

During 1988-1991, the country borrowed a total of US356 million dollars through a standby arrangement and compensatory [word indistinct] facility with the IMF.

Repayment on the IMF debt began in 1991 and is scheduled in eight equal quarterly installments over a two-year period. To date the country has paid US87 million dollars towards the debt.

Government's total external debt stands at US2.2 billion dollars.

Newspaper Supports Stricter Money Laundering Controls

FL0903165593 Bridgetown CANA in English 1545 GMT 9 Mar 93

[Text] Port of Spain, Trinidad, March 9, CANA—Following is the text of the editorial in Tuesday's DAILY EXPRESS newspaper:

Drug traffickers are using stockbrokers, insurance companies and non-bank financial institutions to get their ill-gotten money into the banking system and we agree with Republic Bank's managing director Frank Mouttet, who has called upon these institutions to follow the lead of the commercial banks.

The banks have instituted measures aimed at frustrating the practice of money laundering in Trinidad and Tobago and Mr Mouttet believes that if the non-bank financial institutions do not follow suit, money-laundering has "the potential of assuming alarming proportions."

But it already has. The minister of national security, Mr Russell Huggins, has disclosed that the government intends to bring tougher anti-money laundering legislation because of the amount of criminal money which is in circulation. That money enables criminals to:

Buy weapons with which to murder people.
Pay other criminals, mainly impressionable young people, to stage robberies.
Buy false documentation such as passports and income tax certificates.
Bribe police and court officials in order to get acquittals.
Bribe witnesses.

In fact it is this criminal money which, in Mr Huggins' words, "funds the carnage on the streets and enables drug traffickers to incrementally purchase influence and power, to the point where they can either covertly undermine or openly challenge the authority of a duly elected government."

We congratulate the commercial banks on the corporate responsibility they have displayed. Banking in Trinidad and Tobago is a very competitive business as evidenced by the many promotions aimed at luring new customers.

In this environment there must exist a temptation to welcome customers banking millions even if the bankers suspect that the millions have been tainted by drugs.

To their credit, our bankers have not yielded to the temptations and have, instead, ratified an agrement which is largely based on the "know your customer principle." It encourages greater cooperation with law enforcement and government's financial monitoring agencies and includes questioning the source or legitimacy of substantial bank deposits.

As Mr Huggins has noted, "The activity of money laundering presents the opportunities for identifying the controllers of the criminal activity which generates illicit money." Those controllers are not stupid and will seek new loopholes the minute the current ones become unavailable to them. But there are always clues and an alert population can assist the powers-that-be to trap these murderers in our midst.

Ostentatious lifestyles is one such clue, but there are also those apparently legitimate businesses which are always able to considerably undersell everybody. Not too long ago, for example, a particular set of vendors were selling potatoes at about half of the going price. The word was that they were tied to a drug-thug who could afford to sustain his losses because he was making it in drugs which was his real business. For all their cleverness, the criminals always leave a trail and we cannot continue to sit back and literally allow them to get away with murder.

Costa Rica

Reportage on Situation at Nicaraguan Embassy

Ambassador Calls Situation 'Calm'

PA0903175193 Managua Radio Catolica in Spanish 1100 GMT 9 Mar 93

[Telephone interview with Nicaraguan Ambassador Alfonso Robelo at the Nicaraguan Embassy in San Jose by reporter Luis Mora in Nicaragua on 8 March—recorded]

[Text] [Mora] We would like to know what the situation is?

[Robelo] Everything is calm here. We have been treated very well. There has been no rudeness nor mistreatment. On the contrary, we have access to the bathrooms, we have a television set, and we have a radio. There is obviously a... [pauses] situation but, but [repeats himself] we are not facing any problems. Everyone here is calm.

[Mora] What about the ransom?

[Robelo] I know nothing about any demands, they will inform you of this in due time. Okay? [previous word in English]

[Mora] Okay. [previous word in English]

Situation 'Remains Unchanged'

PA0903132493 San Jose Radio Reloj in Spanish 1214 GMT 9 Mar 93

[Report by Berny Vasquez at the Nicaraguan Embassy in San Jose—live]

[Text] Here is an update on the situation at the Nicaraguan Embassy in San Jose:

Good morning. We are outside the Nicaraguan Embassy, where the situation—at least outside the building—remains unchanged, since we began reporting on the incident at 1500 on 8 March. Shortly after 1500 on 8 March we began reporting on this situation, which has involved dozens of security officers, and dozens of reporters, as well as relatives of the victims. We are talking about more than a dozen hostages who are still inside the Embassy.

We repeat: By all appearances, everything seems to be the same. We do not know what might have happened throughout the night inside the Embassy building.

In a brief conversation with Police Director Colonel Marino Donato, as well as with his son Ricardo Donato, we were told that there is nothing new to report, so we hope the hostages spent a relatively calm night. We know the kidnappers have maintained their threatening stance, as they have heavy weapons. At the same time, however, they have not shown any intransigency, in the sense of taking any physical action against the hostages. At least that is what we interpret so far. The situation, however, will be clear once the outcome is known.

Nicaraguan Cardinal Miguel Obando y Bravo is expected to arrive at approximately 1000 on 9 March. In a few minutes he will be arriving at the Nicaraguan Embassy or at the Juan Santamaria International Airport. We hope the mediation of Cardinal Obando y Bravo will contribute to end this situation. It is really an odyssey for those who are actually suffering under the threat of three men with weapons. As we said, Cardinal Obando y Bravo will arrive at the Juan Santamaria International Airport at approximately 1000, apparently on a flight of the Panamanian Aviation Company, COPA, via Managua-Alajuela.

Embassy Occupiers Issue Demands

PA0903173893 Managua Radio Catolica in Spanish 1430 GMT 9 Mar 93

["Proclamation" issued by the Nicaraguan Patriotic Brigade Yolaina Commando Unit in San Jose, Costa Rica on 9 March]

[Text] The Nicaraguan people have always struggled stoically for their freedom and when they have been close to achieving it, foreign forces have undermined their struggle in favor of the oppressor. The long-suffering Nicaraguan people have expressed in many ways their desire to be free, but everything has been in vain. The world has turned their back on them. The international community disarmed the Nicaraguan Resistance with the promise that everything would be different—this was not true. The pseudo- Sandinists continue governing in Nicaragua and massacring our people. The red and black [Sandinist colors] dictatorship is no longer represented abroad by commanders dressed in olive drab, but by puppeteers in civilian clothing who have mocked the wishes of the people, as expressed in the 1990 elections.

For our part, we are a group of young Christians who, because of our education, have always believed that differences among human beings must be resolved in a civilized manner. Nevertheless, we are aware that peaceful and civic means of protest do not defeat beasts. We are also aware that only God has the moral authority to judge our actions and having no other option, we have decided to wage an armed struggle to the end. If we die in the heat of battle, we welcome death because our fatherland will be grateful we fought for the country.

We demand:
1. Removal of Humberto Ortega as chief of the Armed Forces;
2. Removal of Antonio Lacayo as minister of the Presidency;
3. Reinstatement of Mr. Guillermo Potoy as Nicaraguan comptroller general;
4. Arrest and prosecution of Lenin Cerna and Oscar Loza [Sandinist State Security officials], masterminds of the crimes committed by the Leftist Punitive Forces;

5. We demand $5 million, which we will immediately turn over to Cardinal Miguel Obando y Bravo so the Catholic Church can administer and conduct social projects, such as helping war widows and orphans and war disabled from both sides; and
6. We demand 6 million cordobas, which will be administered by our organization, the Nicaraguan Patriotic Brigade [Brigada Patriotica Nicaraguense].

[Signed] Nicaraguan Patriotic Brigade Yolaina Commando Unit [Commando Yolaina]
[Issued] San Jose, 9 March 1993

Names of 10 Hostages Given

PA0903152193 San Jose Radio Reloj in Spanish 1434 GMT 9 Mar 93

[Text] According to Government and Public Security Ministry sources, there are 10 people being held hostage by three armed men at the Nicaraguan Embassy in San Jose. On 8 March, the armed men occupied the embassy to demand changes in the Nicaraguan Government's policies. This number contradicts the figures provided by the Nicaraguan Foreign Ministry, which had given the names of 19 hostages.

The hostages reportedly are: Ambassador Alfonso Robelo; economic adviser, Alvaro Sevilla; Administrative Director Alfonso Guerra; receptionist, Aminta de Guerra; cultural and press attache, Pedro Gutierrez; Vice Consul Mercedes Matute; third secretary, Elsy Torres; first secretary, Silvio Ordonez; Consul Dora del Carmen; and Costa Rican security guard, Johnny Fonseca, who was on duty when the embassy was occupied.

President on Embassy Takeover

PA0903170493 San Jose Radio Reloj in Spanish 1552 GMT 9 Mar 93

[Text] President Rafael Angel Calderon Fournier expressed concern over the events that have been taking place since 1530 [2130 GMT] on 8 March at the Nicaraguan Embassy in San Jose. The embassy was taken over by a group of armed men who made a series of demands to the government of Violeta Chamorro.

President Calderon stated that, although this is a domestic Nicaraguan affair, authorities will seek a peaceful solution to this conflict. On this matter, President Calderon made the following remarks:

[Begin recording] [Calderon] I am very concerned because Nicaragua has made a great effort to establish a democracy and enjoy liberties for the first time in its history. This is an effort being made by all the people of Nicaragua to live in democracy. All Latin Americans have contributed to this effort.

We believe that, obviously, this is not the appropriate way to resolve the domestic problems of a nation. It is neither logical nor fair to use a country that lives in peace and tranquillity to try to obtain demands, which must be discussed only among Nicaraguans.

[Unidentified Reporter] Have you spoken to President Chamorro?

[Calderon] We have remained in touch with several officials of the Nicaraguan Government. Obviously, we have expressed our solidarity, support, and cooperation. We must be prudent in dealing with this case to safeguard the lives of approximately 19 people who are inside the embassy, including Ambassador Alfonso Robelo. [end recording]

President Calderon asserted that Costa Rican police authorities cannot enter the Nicaraguan Embassy grounds unless expressly authorized by the government of Violeta Chamorro because the diplomatic mission is considered Nicaraguan territory in accordance with the Vienna Convention. However, the president stated that police are ready to move in if requested to do so.

President Calderon explained that authorities should act with great caution. He refused to comment on the extent of the proclamation issued by the Nicaraguan Patriotic Organization, which, according to reports, is led by attorney Jose Manuel Urbina Lara, who recently acquired Costa Rican citizenship. In 1984, Urbina Lara was the law student who took over the Costa Rican Embassy in Managua, Nicaragua, pressuring both governments until he was granted asylum by the government of Luis Alberto Monge, the former Costa Rican President .

Urbina Lara, a Nicaraguan citizen by birth, acquired Costa Rican citizenship a few months ago. This means Costa Rican authorities will have to act in accordance with the national law in this case.

However, President Calderon stated that necessary actions will be adopted, safeguarding at all times the lives of the those held hostage by this armed group, which is in control of the Nicaraguan Embassy.

Cardinal To Ask for Government Representative

PA0903194993 San Jose Radio Reloj in Spanish 1845 GMT 9 Mar 93

[Report by Shebelith Gutierrez]

[Text] Cardinal Miguel Obando y Bravo, accompanied by his advisers, arrived at the Government and Public Security Ministry a few minutes ago. He currently is holding a meeting with Public Security Minister Luis Fishman. It is believed that he will possibly talk to the Violeta Chamorro government over the telephone. He might request that a Nicaraguan Government representative come here to negotiate as he has said. The embassy occupiers have requested the presence of a member of the Nicaraguan Government.

Obando y Bravo's made brief remarks before entering the Public Security Ministry offices. Let us listen to him:

[Begin recording] [Obando y Bravo] [Words indistinct] gasoline, vehicles. I believe it is advisable to have a government representative here because [words indistinct]. If one is not present, I believe the matter could go on and on. That is the idea [words indistinct]. The hostages say they are hungry, they have not eaten. They do not have food. I have asked Commander [name indistinct] and he said he sees no problem with sending in the food. Some of them are tired. Some ladies said they have been treated well, but we noticed they were tired.

[Unidentified reporter] [Question indistinct]

[Obando y Bravo] They said they could be flexible, but they are not [words indistinct]. Ambassador Alfonso Robelo himself told me that he believes it is necessary to have a government representative here so the negotiations could be accelerated.

[Reporter] [Question indistinct]

[Obando y Bravo] They said they are prepared to do anything, but I believe it is the role of the negotiator. He has to try to find a solution that benefits everyone.

[Reporter] [Words indistinct]

[Obando y Bravo] I believe the next step is to call up the Nicaraguan Government.

[Reporter] [Words indistinct]

[Obando y Bravo] If we have the opportunity to do so, we will talk to the Nicaraguan Government.

[Reporter] Are they threatening the lives of the hostages, because if they say they are prepared to do anything.... [pauses] What do they mean they are prepared to do anything?

[Obando y Bravo] If the government is inflexible, they say they would adopt tougher positions, but let's just hope things can be resolved. [end recording]

Those were the statements by Cardinal Miguel Obando y Bravo when he entered the Public Security Ministry offices after talking to the hostages held inside the Nicaraguan Embassy.

We will remain here at the Public Security Ministry providing you with all of the details of the events that take place during the afternoon. We believe Cardinal Obando will talk to representatives of the Nicaraguan Government and ask them to send a top government representative to Costa Rica so that he can respond to the occupiers' requests. We will keep you informed.

Kidnapper Threatens To Blow Up Embassy

PA0903210493 San Jose Radio Reloj in Spanish 2030 GMT 9 Mar 93

[Text] (?Jorge) Manuel Urbina, who deserted the Sandinist People's Army, threatened on 9 March to blow up the Nicaraguan Embassy in Costa Rica if the government of President Violeta Chamorro refuses to meet his demands.

Talking over the telephone with the NOTIMEX office in Guatemala City, Urbina said he has gasoline and [words indistinct] high-powered rifles with which he will repel any attack. He also said there are 30 persons, including Nicaraguan Ambassador Alfonso Robelo, in the embassy, which was taken over by three armed men on 8 March, and that these persons have been treated well.

Kidnappers Read Communique on Situation

PA1003002293 Managua Radio Nicaragua Network in Spanish 2241 GMT 9 Mar 93

["Official Communique No. 1" issued by the Nicaraguan Patriotic Brigade Yolaina Commando Unit in San Jose on 9 March; read by Commando member (Alvaro Vangadeli)—recorded]

[Text]

Official Communique No. 1.

The Yolaina Commando Unit reports the following:

1. We publicly and sincerely thank His Eminence, Cardinal Miguel Obando y Bravo, for his goodwill effort as mediator.
2. On 8 March, Cardinal Obando and the Nicaraguan Government agreed that the cardinal would act as mediator. In line with this, the Nicaraguan Government would be sending to Costa Rica, in the company of Cardinal Obando, a plenipotentiary representative to negotiate.
3. On the morning of 9 March, the Nicaraguan Government reiterated that it would send a representative to San Jose, Costa Rica, to negotiate.
4. We publicly condemn the Nicaraguan Government for having sent the cardinal alone, thus ignoring an acquired commitment. As a result, there have so far been no negotiations.
5. On the afternoon of 9 March, the Nicaraguan Government issued a communique saying that Cardinal Obando came to Costa Rica to convince us to give up our demands.
6. The clumsy maneuvering of the Nicaraguan Government and its lack of intent to resolve promptly the current conflict are evident. The Nicaraguan Government does not care if a bloodbath occurs.
7. In view of this position, we state our most sincere desire to negotiate. This does not mean that we are going to give up. We are prepared to win or to die before leaving these quarters.

[Signed] Yolaina Commando Unit
[Issued] San Jose, Costa Rica
March 1993

Cardinal on Second Meeting With Urbina

PA1003034693 San Jose Radio Reloj in Spanish 0246 GMT 10 Mar 93

[Text] Cardinal Miguel Obando y Bravo has returned to the Public Security Ministry with a very pessimistic outlook on a possible solution to the conflict that began over 30 hours ago when the Nicaraguan Embassy in Costa Rica was taken over.

Cardinal Obando y Bravo met again for over an hour with the commander of the group that has taken over the Nicaraguan Embassy and said that leader Urbina Lara has adopted a much harder position.

Jose Manuel Urbina Lara said he will neither negotiate, release any of the hostages, nor change his position until he can speak to the Nicaraguan Government's representatives, Deputy Foreign Minister Jose Pallais and Government Minister Alfredo Mendieta. Those two Nicaraguan officials are at the Public Security Ministry meeting with Minister Luis Fishman, and Cardinal Obando Y Bravo has now joined them.

The cardinal is probably conveying Urbina's request to meet with the officials. It is believed that the meeting will be held tonight.

Here is what Cardinal Miguel Obando y Bravo had to say about the new situation.

[Begin recording] [Obando y Bravo] This time I found the commander to be very inflexible. I told him the Nicaraguan Government could allow him to return to Nicaragua and then pardon him, but he turned down the offer. I also told him that the Nicaraguan Government could make arrangements with the Venezuelan Government for him to go to that country, but he turned down that idea as well, saying that if the negotiations are conducted successfully, all he wants is to return to the mountains of Nicaragua. I asked him to release the women as a goodwill gesture, but he said: We will not do anything until we see the faces of the Nicaraguan ministers who have arrived in Costa Rica in order to see if they have goodwill. I want to negotiate. I asked him: What do you understand negotiations to mean? He said, to negotiate means to see their faces to see if there is goodwill in them.

[Unidentified reporter] Monsignor, are you optimistic or pessimistic?

[Obando] Well, I keep negotiating. I am never pessimistic. I have experienced difficulties in past negotiations, but if a mediator becomes pessimistic, it can become a very sad situation. There is no doubt that the situation is dangerous. There are gasoline containers with rag wicks. The building smells of gasoline, and there is the danger that someone might light a cigarette and start a fire. The situation is complex.

[Reporter] [Question indistinct]?

[Obando y Bravo] He says they are strong and could spend six months in the place: It is their trench. [end recording]

Guatemala

Government Willing To Sign Cease-Fire With Guerrillas

PA0903200493 Panama City ACAN in Spanish 1859 GMT 9 Mar 93

[Text] Guatemala City, 9 Mar (ACAN-EFE)—The Guatemalan Government said on 9 March it is willing to sign a cease-fire with the guerrillas during the new round of negotiations that will begin in Mexico on 10 March.

The Peace Commission (Copaz), chaired by Manuel Conde and made up of six other civilians and five high-ranking officers, traveled to Mexico on 9 March to resume the peace negotiations with the Guatemalan National Revolutionary Unity (URNG).

Guatemalan Foreign Minister Gonzalo Menendez said the proposal the government is taking to the negotiating table is "clear" and is backed by the United Nations.

He added that he hopes the delaying tactics will not continue and that peace will be signed within the 90 days proposed by Guatemalan President Jorge Serrano at the United Nations on 19 January.

According to the foreign minister, if there is willingness on the part of the guerrillas, there is nothing to discuss but "simply to sign the peace agreement and request UN verification."

Menendez believes the agreement on human rights can be signed during the three-day meeting in Mexico. That agreement blocked the dialogue from August 1992 to February 1993, when the process was reactivated.

The Guatemalan foreign minister believes the government has demonstrated it is trying to achieve the signing of an agreement for a lasting and firm peace and that it wants the guerrillas to rejoin the country's political, social, and economic life.

Meanwhile, government spokesman Arturo Alvarado confirmed for ACAN-EFE that the Peace Commission traveled to Mexico with the firm objective of reaching "positive" accords, among them a definitive cease-fire.

Government officials stressed that the delegation received precise instructions from President Serrano that, if good intentions prevail, the cease-fire and even the general peace agreement be signed in this meeting.

The guerrillas and Government of Guatemala, the last country in Central America where an armed conflict exists, met for the last time in Mexico between 23 and 26 February. However, that meeting was suspended by the mediator, Bishop Rodolfo Quezada, to be resumed on 10 March and with a newly drafted negotiating agenda.

The disagreement in that round of talks occurred over the government's insistence to impose a 90-day term for the signing of the peace or the definitive cease-fire. The

URNG is opposed to this because it believes it is impossible to set deadlines without discussing the causes of the conflict in depth.

The differences between the government and rebel proposals focus on how to agree on a cease-fire. The guerrillas believe that the cease-fire must come after the situation of people displaced by war is resolved, while the government considers the cease-fire must come first.

According to the mediator, despite the "antagonism" between the guerrillas and the government, an equilibrium can still be found to reach agreements during the process. He added that the most important thing is that the two groups understand that the discussions cannot go on forever.

According to the government, the international support it has received for its proposal and with the creation of the "Group of Friends" to support the peace, made up of Colombia, Venezuela, Mexico, and Spain, anticipates a great opportunity to end a conflict that began more than three decades ago.

Nicaragua

Government Investigates Passports Issued in the Past

PA0903153993 Managua Radio Nicaragua Network in Spanish 1100 GMT 9 Mar 93

[Text] The Nicaraguan Foreign Ministry, through the U.S. Embassy in Nicaragua, on 8 March asked the U.S. Government for official information on the Nicaraguan passports and documents found by the FBI in the apartment of Ibrahim Elgabrowny to determine their origin. Elgabrowny is one of the persons charged in the attack on the World Trade Center in New York City last week. Meanwhile, the Government Ministry is investigating the passports that were issued to Nicaraguans with names similar to those of the suspects as well as the authenticity of their Nicaraguan nationality. Likewise, Sonia Cruz de Valtodano, Nicaraguan consul in New York, has advised the New York District Attorney's Office of the Nicaraguan Government's willingness to cooperate in clearing up this matter.

Reportage on Takeover of Embassy in San Jose

Deputy Minister Departs for Costa Rica

PA1003001193 Managua Radio Nicaragua Network in Spanish 2212 GMT 9 Mar 93

[Interview with Deputy Foreign Minister Jose Pallais by Nubia Cerna at the Sandino International Airport in Managua—live]

[Text] [Cerna] I have with me Deputy Foreign Minister Jose Pallais, who will give us his opinion on the Nicaraguan Embassy crisis in San Jose.

[Pallais] Upon receiving a request from the Costa Rican Government, the president decided to send two Nicaraguan officials—Government Minister Alfredo Mendieta and me, the deputy minister of foreign relations—to assist the Costa Rican Government in resolving the assault on our embassy in San Jose. We hope to coordinate with the Costa Rican authorities in San Jose so we can work much closer and to assist Cardinal Miguel Obando Bravo in his efforts to persuade the kidnappers to cease their illegal actions and surrender to authorities. Thus, we hope to ensure the safety of our officials there; our ambassador, our advisers, and our administrative and diplomatic personnel who are being held inside the embassy in San Jose. That is our main interest.

[Cerna] Mr. Minister, Minister Mendieta was firm in stating this morning that the Nicaraguan Government was not going to negotiate on the issues the kidnappers have presented. What is your opinion?

[Pallais] Our mission is to coordinate with the Costa Ricans and to support the persuasion efforts of Cardinal Obando y Bravo. We will work closely with the Costa Ricans to find a solution to the problem and to persuade the kidnappers to surrender. We believe in the cardinal's moral authority, and we must make it clear that there is, in fact, a state of law in Nicaragua; that there are laws; that Central America is a region in peace where we have made progress. We cannot allow these acts to pull us back. We believe that with Minister Mendieta's moral authority and the support of the Costa Rican and Nicaraguan authorities, it is possible to find a solution to this problem. This will bring peace of mind to the families of the hostages being held there and the Costa Rican people.

[Cerna] What would the Nicaraguan position be if the negotiations should drag on?

[Pallais] I believe it is still too early to tell if the negotiations will be prolonged. We must wait for the results of the ongoing efforts that we believe will be successful.

[Cerna] Thank you, Mr. Deputy Foreign Minister Jose Pallais.

Government Minister To Assist

PA1003003593 Managua Radio Nicaragua Network in Spanish 2214 GMT 9 Mar 93

[Interview with Government Minister Alfredo Mendieta by Nubia Serna from the Sandino International Airport in Managua—live]

[Text] [Serna] We are now going to talk for a few moments with Government Minister Alfredo Mendieta, who has just arrived at the international airport. Minister Mendieta will give us his point of view on his trip to Costa Rica and the situation taking place there.

[Mendieta] Good afternoon. First I would like to say that the decision to send this delegation to Costa Rica was

entirely President Violeta Chamorro's. We are going in order to cooperate with the Costa Rican Government to find a prompt solution to the situation. We are completely willing to find a solution as soon as possible. The crisis committee has been meeting constantly since the events first unfolded on 8 March in San Jose. Foreign Minister Ernesto Leal and I form the committee. President Chamorro has insisted on joining us in all our meetings. We have also maintained close contact with our Costa Rican counterparts, Presidency Minister Mr. Rolando Lacle, Foreign Minister Bernd Niehaus, and Government Minister Luis Fishman, to coordinate actions as well as receive information on developments. We have also received a telephone call from His Eminence, Cardinal Miguel Obando y Bravo, notifying us of the position of the persons holding the ambassador as well as the other officials.

We must also point out that a Costa Rican civil guardsman as well as other persons, whose nationalities we do not know, are detained in the embassy. There are approximately 25 hostages in the embassy, and we have been told by Cardinal Obando that they are all in good health. Cardinal Obando also told us of the kidnappers' demand to meet with a government delegation. We believe this situation must be handled very carefully. Unfortunately, it is taking place in a brother and neighboring country such as Costa Rica, which has its own laws that we must all obey. In that respect, our role is to try to find a prompt solution to the problem.

[Serna] Mr. Minister, this morning you stated that there would be no negotiations for money. What is your position now?

[Mendieta] Our position is the same as this morning. We believe those individuals are making unreasonable demands. That type of demand only serves to violate judicial order and endanger democracy, and it is impossible to subject a young democracy such as Nicaragua to pressures like this. We are pleased with the increasing number of condemnations received throughout Central America. We have been contacted by President Carlos Andres Perez, who has spoken on two occasions with President Chamorro, and we think the position is unanimous in that democracy cannot be forced by actions such as this one.

[Serna] How long do you expect the negotiations to continue?

[Mendieta] It is too soon to say. Right now we cannot guarantee anything. Our objective, as well as that of the Costa Rican Government, is to resolve the issue as soon as possible. We are searching for a third country that is willing to accept these individuals. We are doing our best to see that this mission ends successfully.

[Serna] Do you have any information on the health of the persons who are detained in the embassy?

[Mendieta] We have received information that there is one diabetic person who is very ill. There is also a pregnant woman who has been vomiting continuously. There are some women who are very hysterical. I also understand that there is one young man on the verge of a nervous breakdown. We hope the kidnappers understand this situation and decide to release those who are ill as well as the pregnant woman so we can begin the talks.

[Serna] When are you leaving for Costa Rica?

[Mendieta] Immediately. I think the airplane is almost ready. We will be boarding in a few minutes.

Government Minister Rejects Demands

PA0903193893 Managua Radio Nicaragua Network in Spanish 1740 GMT 9 Mar 93

[News conference by Government Minister Alfredo Mendieta with unidentified reporters in Managua on 9 March—recorded]

[Text] [Mendieta] First of all, we must note that these people have committed a crime in Costa Rica. This clearly involves the Costa Rican authorities. As a government, we have not officially received the demands. We have heard some of them through the media. Nevertheless, we believe that in the framework in which the demands have been made, they definitely cannot be the object of negotiations by the government because the government cannot be pressured to remove officials. The Nicaraguan Government has offered sufficient political opportunities for all sectors to express their positions. We have overcome the war and we are on the way toward seeking a consensus of all the ideologies of Nicaragua in the search for new solutions. We believe violent positions complicate the course in which the country is headed. Latin America considers the Nicaraguan process to be exemplary. For example, Mexico's Salinas de Gortari expressed his satisfaction over the course this government has taken. The Nicaraguan president has faced with courage all the challenges posed by the establishment of a new way of life for all Nicaraguans. Therefore, we believe these demands made by the kidnappers of the ambassador and the embassy personnel are not subject to negotiation.

[Reporter] [Words indistinct] the kidnappers to justice?

[Mendieta] We have told Cardinal Miguel Obando y Bravo that his mediation should be directed at trying to get the kidnappers to release their captives and to guarantee security for the kidnappers so they can go to a third country.

[Reporter] Do you feel the efforts against the government [words indistinct] and the occupation of the embassy are coincidental?

[Mendieta] I think that there are many things happening at this time. I think there are desperate sectors that are seeing a new position taken by friendly governments, which have expressed their satisfaction over the path taken by our country. These sectors are trying to carry

out absolutely desperate efforts, such as those we are seeing now. They are carrying out these actions as a last resort because they feel they are losing the opportunity for the negotiations they wanted to impose on the government. We believe the government is on the right path. We are involved in a process of constant dialogue with all political sectors and we are trying to rebuild our economy. We believe we must continue these efforts.

[Reporter] Are there any clues about which sector is responsible? The local press on 9 March linked Alfredo Cesar [words indistinct] with the head of the commando group in Costa Rica. Do you have any evidence about this assertion?

[Mendieta] At this time we do not have absolute confirmation about these allegations. We have the same impression as you about the links between Mr. Urbina Lara [reportedly head of the commando group] and the members of the Southern Front, and particularly some politicians in the country. We do not want to issue any further opinion at this time. Nevertheless, we believe there is concurrence between the demands of those sectors in Costa Rica and the demands by sectors inside Nicaragua.

[Reporter] Not a cent for the kidnappers?

[Mendieta] Not one red cent.

Congress Condemns Occupation

PA0903195693 Hamburg DPA in Spanish 1915 GMT 9 Mar 93

[Text] Managua, 9 Mar (DPA)—The Nicaraguan Congress on 9 March condemned the terrorist action carried out against the Nicaraguan Embassy in Costa Rica and asked Costa Rican President Rafael Angel Calderon to protect the lives of the 19 Nicaraguan diplomatic officials being held as hostages.

The majority of the Congress altered the agenda on 9 March to debate the situation that was created by the terrorists. The former ruling coalition (National Opposition Union), however, withdrew from the session in order to avoid the "difficult situation of having to condemn the terrorist actions."

The congressional resolution, unanimously approved by the majority of the Congress (read by Congress Secretary Frank Duarte), deplored the terrorist action carried out against the Nicaraguan Embassy and Alfonso Robelo Callejas, Nicaraguan ambassador to Costa Rica.

The congressmen rejected the demands made by the terrorist group—from the Nicaraguan mission in San Jose they demanded the removal of top officials of the Managuan Government and considerable sums of money in dollars and cordobas—and urged President Violeta Chamorro to reject the demands of the armed group "because the demands are unacceptable blackmail against public institutions and the state of law."

The deputies are demanding that the three embassy occupiers (led by Nicaraguan Jose Urbina Lara, who has links with the "contra" groups led by Alfredo Cesar, former Nicaraguan National Assembly President) "immediately release Ambassador Robelo Callejas and other embassy personnel" to Cardinal Miguel Obando y Bravo, who is currently in San Jose.

The parliamentarians also publicly called on President Chamorro not to hold any negotiations with the terrorists and they asked the Costa Rican Government to guarantee the safety of the personnel who was taken hostage on 8 March.

During the emergency session held in the Nicaraguan Congress, deputies from the opposition Sandinist National Liberation Front (FSLN) and the center bloc condemned the incident. Several of them said the demands made by the terrorists coincide with the proposals being made in Managua by certain members of the National Opposition Union.

Government Refuses To Negotiate Demands

PA0903154693 Paris AFP in Spanish 1520 GMT 9 Mar 93

[Text] Managua, 9 Mar (AFP)—Nicaraguan Government Minister Alfredo Mendieta said on 9 March that the Violeta Chamorro government "will not negotiate" the demands made by a guerrilla group that occupied the Nicaraguan Embassy in San Jose, Costa Rica on 8 March.

"The demands will not be negotiated," Mendieta said when commenting on the requests made by the Embassy occupants, who demand, among other things, the dismissal of Army Chief General Humberto Ortega and Presidency Minister Antonio Lacayo.

The guerrillas who occupied the embassy, a total of three, are holding 18 people hostage, including Ambassador Alfonso Robelo.

Presidency Issues Communique

PA0903212693 Managua Radio Nicaragua Network in Spanish 2000 GMT 9 Mar 93

[Communique issued by the Presidency Press Information and Communications Directorate]

[Text] In light of the 8 March events at our embassy in Costa Rica, the Presidency of the Republic Press Information and Communication Directorate hereby states the following:

1. The Government of the Republic of Nicaragua strongly condemns the attack on our embassy and the kidnapping of our ambassador and other officials assigned to said embassy. These events violate the laws and customs of our brother and neighbor country Costa Rica, as well as the laws of our own country.

2. From the moment the events occurred, our government has maintained close communication with the

Costa Rican Government with the objective of guaranteeing the lives and safety of all the hostages, regardless of whether they are Nicaraguans, Costa Ricans, or of any other nationality.

3. In view of requests made by the authors of the events with respect to Cardinal Miguel Obando y Bravo traveling to Costa Rica, the Nicaraguan Government has eased the way for Cardinal Obando to travel this morning to San Jose. He has also been asked to convince the responsible persons of the illegality of their actions and the impropriety of the methods chosen to voice their protests.

4. The President Violeta Barrios de Chamorro's administration has done its best to promote a state of law, respect for the Constitution and law, amnesty, and national reconciliation. It has also guaranteed the necessary political opportunities leading to freedom of expression and the advancement of ideas in our country.

5. Actions such as those that are taking place at our embassy, are against the people's will as expressed in the 1990 elections and undermine the stability of the country and the rest of Central America because war and hostility as fighting instruments have already been superseded in modern Central America.

6. Finally, the Nicaraguan Government is certain the Costa Rican authorities and institutions will be able to resolve this situation and protect the lives of every one of the illegally detained citizens.

[Issued] Managua, 9 March 1993.
[Signed] Information and Press Directorate of the Presidency of the Republic.

Godoy Denies Connection To UNO

PA0903193593 Paris AFP in Spanish 1838 GMT 9 Mar 93

[Text] Managua, 9 Mar (AFP)—Virgilio Godoy, vice president without duties, on 9 March denied any connection between the National Opposition Union (UNO) and the recontras who on 8 March took over the Nicaraguan Embassy in Costa Rica. However, Godoy refused to condemn the guerrillas' action.

Jose Manuel Urbina Lara, 30, who leads the recontra commando "does not have ties to political organizations in this country or the UNO," Godoy, one of the harshest critics of President Violeta Chamorro, told the media.

In an interview for AFP, Godoy admitted there are "similarities" between the demands made by the assault commando and those made by the UNO, the private enterprise, and even some Sandinists.

The guerrilla commando on 9 March demanded the removal of Presidency Minister Antonio Lacayo and Army Commander Humberto Ortega and asked for a $6 million ransom in exchange for Ambassador Alfonso Robelo and 17 other persons.

Godoy became angered when he was asked if he would condemn the occupation of the diplomatic mission in San Jose. He stressed that the political demands of the guerrilla commando are "a national coincidence" and must not be necessarily tied to "a trend or political current."

However, he admitted that "these requests are difficult to fulfill" because in the past the government has refused to remove the aforementioned officials from their posts.

Regarding the repercussions this case may have on national life, Godoy asserted that the panorama "is not yet clear." He remarked that Urbina "was a member of the Government Ministry" during the Sandinist administration, but he deserted and joined the Contras. The vice president added that Urbina "is not tied to any party" in Nicaragua.

When ruling out that the occupiers may accomplish their objectives, Godoy considered that "it is possible that this may be only a political action" to score propaganda points, although he wondered in whose favor.

Urbina Lara directs the Yolaima Commando of the Nicaraguan Patriotic Brigade. In the 9 March proclamation he accused the Sandinists of "continued governing and massacring of the people" of Nicaragua.

Argentina

Budget Team Aims To Cut Expenses by 10 Percent

PY0903134693 Buenos Aires CLARIN in Spanish 4 Mar 93 p 23

[Text] With the purpose of reducing public expenses by 10 percent, the economic team yesterday decided on the first cut: They will immediately eliminate the expenses the other ministries do not spend as scheduled and as planned in the national budget.

The measure aims to balance public accounts, given that only two months after the national budget bill was approved, it is already outdated. The decision was made before a meeting of the economic team, 24 hours after Cavallo returned from abroad.

The urgency is owed to the pressures Minister Domingo Cavallo received from the IMF experts. The message in Washington was clear: Argentina must recalculate its public accounts for the next few months to comply with its debt commitments.

In other words: This is the only formula to avoid future problems with IMF disbursements.

The problem is centered around one issue. The budget this year overestimated its revenues to pay for a 17 percent increase in expenses. Given that the tax collection projection is reduced as a consequence of less-than-expected economic activity, Cavallo is forced to reduce expenses.

The resolution that will be implemented imitates an identical emergency measure that Cavallo adopted in December to close the 1992 fiscal accounts.

It also demonstrates that the Economy Ministry is not willing to begin a long negotiation with the other ministries to jointly find a way to cut expenses.

To avoid political tensions, the economic team also decided to discuss the decision in the next cabinet meetings, today and especially on 11 March. No Economy Ministry official rules out harsh political clashes with the other ministers, especially with the team headed by Social Action Minister Julio Cesar Araoz.

The cuts may also affect the unspent allocations for the Social Plan launched by the government as its central issue on the elections.

Not in vain did Cavallo yesterday make an immediate gesture upon ending the meeting with his aides. He crossed Government House to participate in a meeting of the social team.

Finance Secretary Ricardo Gutierrez prepared a report for Cavallo which establishes that the decision will imply, in concrete figures, a drastic reduction in expenses estimated at about $4 billion by the end of the year. In other words, a nearly 10 percent reduction in the expenses that were estimated and approved by Congress.

To this cut in expenses we must add an additional reduction of $400 million. This will allegedly be the only reduction; it will be carefully evaluated, part by part, and it is aimed at compensating for the loss of revenue as a consequence of the elimination of the seal tax.

The plan was discussed yesterday during a meeting of the economic team—a meeting in which only the closest aides of Cavallo participated. After the meeting, several officials went to lunch at the Plaza Hotel.

On the evening of 2 March the minister held another small meeting with a few aides to make a political evaluation. Some of the aides present were Industry Secretary Juan Schiaretti and Institutional Relations Secretary Guillermo Selta. Cavallo then held a private meeting with President Carlos Menem.

Armed Forces Deny Payment of Bonuses to Chiefs

PY0903140393 Buenos Aires TELAM in Spanish 0047 GMT 6 Mar 93

[Text] Buenos Aires, 6 Mar (TELAM)—High-ranking military chiefs today denied paying Armed Forces generals, admirals, and brigadiers bonuses that were registered in a "second set of accounting books" as stated in press reports.

Navy Chief of Staff Admiral Jorge Ferrer today instructed the Navy's legal department to start "the most serious" legal actions against [the Buenos Aires newspaper] SOMOS, which reported "false information" regarding the alleged payment of bonuses to generals, admirals, and brigadiers.

In a communique, the Navy "clearly and categorically" denied the contents of the report and also started legal action against its author.

Moreover, Liutenant General Candido Diaz, chief of the Armed Forces joint staff, today ordered legal advisers to assess the article because he considers it "slanderous and containing false information."

Diaz also ordered the assessment of the "deceitful propaganda" published at the same time as this weekly and demanded rectification as soon as possible. Otherwise, it will start all the corresponding legal actions, including penal actions, against those responsible for the article.

The issue was on the newstands today, and in newspaper advertisements the major articles are announced, among which is the one in question by the chief of the Armed Forces joint staff.

The Air Force also dismissed similar information published by CLARIN yesterday. According to CLARIN, Air Force officers get "a bonus to make up for their meager official salary," which is financed with resources

obtained from the exploitation of the Ezeiza Airport fiscal warehouses, tarmac, and its duty-free shop.

After calling the information published by CLARIN "inaccurate," the Air Force announced it will file a lawsuit against the "gratuitous insults" contained in the article.

Upon reiterating its denial of the alleged payment of bonuses, the official communique states that the Air Force's civilian and military personnel "only obtain the pay provided for in substantive norms that rule for the three branches of the military."

The communique then states that "the income obtained by certain Air Force organizations in the concept of taxes, services, contributions, concessions, permits, etc, is accounted for, registered, invested, and used in compliance with the budget regulations currently in force and following the corresponding legal administrative control, excluding payment of 'any bonus.'"

The government spends approximately 70 million pesos per month on the active members of the Armed and Security Forces. This figure amounts to 180 million pesos if payment of salaries and pensions is included.

Military personnel received their last salary increase in April 1992. Currently the higher echelon—lieutenant general or its equivalent—receive 3,000 pesos while the lower echelon—that is, a corporal—gets 365 pesos. The mid-level ranks, such as a lieutenant colonel, earn 1,700 pesos and a first sergeant receives 800 pesos.

'Some' Provinces Said Coping With Arsenic in Water

PY0903213393 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 93 p 8

[Article by Peter Johnson]

[Excerpt] As if cholera was not enough, some Argentine provinces have to cope with an even more insidious component in their well water: arsenic. Although the problem also exists in parts of Chile and in places as far away as Taiwan, certain regions of Argentina have the dubious honour of holding the world record for the highest concentration of this substance in their water supply. The World Health Organization has stipulated that the maximum permissible level is 0.05 miligrammes per litre of water, yet in some areas of the provinces of Cordoba, La Pampa, Salta, Chaco and Santiago del Estero this limit is exceeded five to 20 times over.

Arsenic poisoning has led to a significant number of patients in Argentina with what is termed HACRE disease (the Spanish acronym for chronic regional endemic hydro-arseniosis), Doctor Alberto Woscoff, a professor and the director of the school of dermatology at Clinicas hospital in Buenos Aires told the HERALD yesterday.

Symptoms include a gradual blackening of the back of hands and a thickening of palms and soles of feet. This eventually leads to skin cancer. The lower digestive tract can also be affected by cancer after lengthy exposure. The arsenic content in water is not the result of man-made pollution, but rather a natural consequence of the geology of certain areas.

Cordoba appears to have been the only province to have done something about arsenic poisoning, building pipelines to carry uncontaminated water to those regions with a high arsenic content in their own water supply. Since the introduction of these, there has been a considerable drop in the number of observed cases in those areas. Despite this heartening fact, and due to the large number of areas that will never be connected to a fresh water supply, the problem persists. Strangely, according to Woscoff, Italian immigrants to the province have been the most susceptible to arsenic poisoning although no reason for this has been yet discovered. [passage omitted]

Cavallo Reportedly To Take No Action on U.S. Trade Issue

PY0903170093 Buenos Aires CLARIN in Spanish 2 Mar 93 p 23

[Text] A high-ranking source in Economy Minister Domingo Cavallo's team yesterday told CLARIN that the Economy Ministry will take no action in response to claims by the U.S. Department of Commerce. Through its embassy in Buenos Aires, Washington censured certain resolutions of the October economic package, which indirectly devalued the peso by 5 percent.

The U.S. Administration said that those resolutions violate GATT rules, and that they establish a subsidy against U.S.-made goods and services.

The only action that the Economy Ministry had undertaken until yesterday was a political step by Minister Cavallo: During his last two trips to Washington and New York, he presented explanations to Democratic officials. He told them that the exchange package will not affect free trade between the two countries.

During those meetings, Cavallo used his favorite argument: The U.S. claim is unjustified, because indirect tax refunds comply with GATT regulations.

Last week, Cavallo held another meeting with Commerce Department officials. Argentine sources said that he managed, to some extent, to soften the political effect of Washington's claims.

Cavallo will return today to join a team that has been affected by his last threat to resign and by the brand new ministerial designation of Oscar Camilion.

Cavallo's team members have said that they do not intend to modify the export refund level or the statistical tax on imports, which grew from 3 to 10 percent. "To grant the U.S. claim would be equivalent to aggravating

the balance of trade problem, which has already shown strong signals of an imbalance with the convertibility plan."

With both modifications, which were adopted on 7 October, Cavallo attempted to indirectly compensate for the exchange rate difference.

There is, however, only one scheduled change: A reduction of export refunds for exports shipped from Patagonia ports. This measure was announced in October, along with the modifications on export and import taxes, which prompted the U.S. claim.

Argentina granted two types of refunds, of 7 and 20 percent, in Patagonia ports. Now only the 7 percent refund will remain in force, while the 20 percent refund will be eliminated.

The claims by the U.S. Department of Commerce were made known in Buenos Aires through a note sent to the Foreign Ministry in December.

In this document, which was leaked last week, the Bush administration surprisingly maintained that the measures adopted by Cavallo affected the bilateral trade treaty. In other words, they harmed the production of U.S. goods and services.

The U.S. Administration made the following reasoning: If Argentina raises the exchange rate, its exports to the United States will be more competitive, and its imports from the United States will drop.

Yet the document failed to mention a key factor: the strongly negative balance that Argentina registers in its trade with the United States.

PRC Foreign Minister Arrives for 3-Day Visit

PY1003033493 Buenos Aires TELAM in Spanish 0206 GMT 10 Mar 93

[Text] Buenos Aires, 9 March (TELAM)—It was officially reported that President Carlos Menem will receive PRC Foreign Minister Qian Qichen at Government House tomorrow. Qichen arrived in Buenos Aires today for a three-day official visit to the country.

Attending the 1100 meeting in the situation room will be Arturo Ossorio Aranas, the Foreign Ministry's Asia and Oceania director; Chinese Ambassador to Buenos Aires Tang Yonggui; and other officials.

Qichen arrived in Buenos Aires within the framework of a visit to Latin American countries that started in Mexico, continued in Brazil and Uruguay, and will finish in Chile on 12 March.

During his stay in Bueno Aires, which will last until 11 March, the PRC foreign minister will sign agreements on the extension of diplomatic visas and exchange documents ratifying consular agreements.

Qichen's official activities will begin at San Martin Palace tomorrow at 0900, where he will meet his Argentine counterpart, Guido Di Tella. After the audience with President Menem, Qichen will visit the national Congress, where at noon he will be received by the presidents of the Senate and Chamber of Deputies.

In the afternoon, Qichen will have a new meeting with Di Tella and at 1830 he will speak at the Argentine Council for International Relations (CARI) on his country's foreign policy. Foreign Minister Di Tella will have him as the guest of honor at a reception at San Martin Palace at night.

Qichen also will meet Economy Minister Domingo Cavallo during the morning, although the meeting's time has not been established.

On 11 March, Qichen will participate in a working breakfast with Argentine entrepreneurs. Amalia Lacroze de Fortabat, representatives of Bunge and Born, Bridas Harengus, Nidera, Impsa, Techint-Siderca, the Argentine Rural Society, and the Wool Federation, among others, will attend the meeting.

The Chinese foreign minister then will receive representatives from the Chinese colony in Argentina and will depart for Chile shortly after noon.

Brazil

Franco Said To State Intention To Remain in Post

PY1003005893 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Mar 93

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Text] President Itamar Franco said he will remain in his post despite any and all kinds of pressure he may receive. President Franco said today he will not accept any kind of pressure, will fulfill his complete mandate with fecundity, and that there is not even the slightest chance he will resign as a result of the pressures he is receiving from conservative sectors of society.

President Franco told this to union leader Antonio Neto, president of the Central Federation of Workers, who said he was worried by some articles published by Sao Paulo newspapers reporting that the president of the Republic might resign.

[Begin Neto recording] For our peace of mind, he told me loud and clear: Look, I will not resign at all, no matter what pressures there are. You workers must be sure of this; you can tell this to all the working class. I will not resign. [words indistinct] [end recording]

Antonio Neto also said President Franco said that whenever he touches the interests of cartels, oligopolies, and companies' informal accounting systems, there occurs a real upheaval in the country. President Franco also said

that soon he will pass a new antitrust law to seriously combat the abuses committed by cartels and oligopolies.

The president of the Republic also said that as soon as the draft economic stabilization program is ready, he will invite the labor unions to learn about its measures.

Finance Minister Speaks To Senate on Economy

Says No Shocks To Be Implemented

PY0903211793 Madrid EFE in Spanish 1931 GMT 9 Mar 93

[Text] Brasilia, 9 Mar (EFE)—Brazilian Finance Minister Eliseu Resende said today that President Itamar Franco's administration will not implement shocks in the economy and that, in the medium term, public expenses will be balanced.

During his message to the Senate, Resende, 64, said that a "selective increase" in economic growth and a reduction in the inflation rate are among the Franco administration's economic priorities. The inflation rate stands at 25 percent a month.

Resende said: "The Treasury will only spend proportionally to what is collected." Resende was nominated as finance minister last week. He replaces economy professor Paulo Haddad, who tendered his resignation after disagreements with President Franco.

To end the fears of the political and entrepreneurial areas, Resende said the government will not adopt shock measures to stabilize the economy.

Franco's allies hope the economic guidelines presented by Resende will calm financial agents and "reconcile" important congressional groups that protested Haddad's replacement.

Explains Fiscal Adjustment Bill

PY0903233993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Mar 93

[Report by Corban Costa from Congress; passages within quotation marks recorded]

[Text] Finance Minister Eliseu Resende today explained to the Senate the fiscal adjustment bill and the need to approve the IPMF, provisional tax on financial operations, or check tax. The bill will be voted on in a second voting round in the Senate.

The minister said the IPMF does not totally solve the economic program, but he considers it a very important help. According to Minister Eliseu Resende, the country can no longer bear the public debt burden. He confirmed to the Senate the 14-trillion-cruzeiro deficit in February's public accounts. He said the government is making an effort to balance the accounts in March. Resende reported on the economic situation and he attributed the problems to the public sector's fiscal crisis. In his statements to the senators, the finance minister announced the government lines of action in the economy.

The program that will be adopted by the government aims at resuming economic growth with the purpose of generating more jobs and improving the distribution of wealth. According to Resende, there will not be any new economic package to curb inflation:

"In the policy to combat inflation, we will not adopt any measure that will imply breaking current contracts."

The minister also said the government will only spend whatever it collects and it will maintain a policy of real interest rates:

"The monetary policy will not allow negative real interest rates, for the stability of the market. We also will not allow, however, the repetition of mistakes made in the recent past that allowed unnecessarily high real interest rates, which would harm productive investments."

The economic plan also includes strict control of public expenses, especially those by public companies. It also includes changes in the privatization program:

"The privatization program will be extended to include more public companies and its execution will be accelerated."

Minister Eliseu Resende also reported that he will maintain the real value of public utility rates, the opening of the market, and the foreign debt renegotiation:

"Regarding the foreign debt's renegotiation, the government will maintain the commitments approved by the federal Senate, thus continuing the current renegotiation process with the purpose of normalizing the country's international financial situation. As for the exchange policy, the exchange rate will be maintained at appropriate levels to encourage exports."

Resende stressed the economic program's effort to deal with the rescheduling of states' debts, the Severance Pay Fund, and the electricity sector. Funds for compensatory social programs aimed at the poorest sectors of society will be prioritized.

PSDB Members Discuss Finance Minister's Nomination

PY0903225393 Rio de Janeiro O GLOBO in Portuguese 4 Mar 93 p 3

[Text] PSDB [Brazilian Social Democracy Party] members Mario Covas and Jutahy Magalhaes Jr., who is also the social welfare minister, on 3 March held a lunch during which they analyzed the concern created by the nomination of Minister Eliseu Resende, a decision that might jeopardize the credibility of the government, which was reduced during the impeachment process. The PSDB is seeking the participation of the PMDB [Brazilian Democratic Movement Party] and the PT

[Workers' Party] in a debate with the ministers who also disapprove of the nomination. The PMDB and the PT supported the "goodwill pact" with the government in Congress.

Covas said: As representatives of the parties that have confidence in the government, it is our duty to uphold a major participation in the political reorganization. We probably were wrong for not having intensified the talks with the president.

Rio de Janeiro Mayor Cesar Maia, who was in Brasilia on 3 March, started the movement. He suggested that President Itamar Franco dismiss the new finance minister.

A market economy is a demand economy. If a decision restrains the government's economic policy and causes a negative reaction in the market, it has to be reviewed, a matter that is to be resolved in three or four days.

Union Leader: Resende 'Distanced' CUT From Government

PY0903225593 Rio de Janeiro O GLOBO in Portuguese 4 Mar 93 p 4

[Text] Sao Paulo—Jair Meneguelli, national chairman of the Sole Workers Center (CUT), said yesterday that Eliseu Resende's appointment as finance minister has distanced the CUT from the Itamar Franco government. Meneguelli added that the CUT today would refrain from appointing a member for the new board of the Federal Savings Bank, which administers workers' funds.

Meneguelli said that President Franco's government has been presenting positive points. He cited the president's vetoes on port modernizations and agrarian reform projects.

"By changing the finance minister the president acted like a cow that is praised for producing 50 liters of milk per day and then kicks over the bucket. He did not need to kick over the bucket by designating Eliseu Resende," Meneguelli joked.

Concerning the permanence of Labor Minister Walter Barelli and of Federal Administration Secretary Luiza Erundina, Meneguelli said that both must see if they are able to implement their projects.

He said: "In the case of Erundina, I am certain she will have the largess to leave her post should she find she cannot implement her projects."

Progressive Party Withdraws Support for Government

PY0903145493 Rio de Janeiro O GLOBO in Portuguese 4 Mar 93 p 4

[Text] The Progressive Party [PP] [Partido Progressista] of Alvaro Dias and Joaquim Roriz was the first to officially withdraw its support for the government of Itamar Franco. The decision was made during meetings of the party's executive board and a group of 33 deputies. Consequently, the five Senators who are in the process of joining the party will oppose the IPMF [Provisional Tax on Financial Operations] at the second vote in the Senate. Goais Senator Irapuan Costa Junior will be the PP leader, who had opposed the IPMF in the first vote.

Former Governor Alvaro Dias, the party president, said that the crisis caused by the resignation of Paulo Haddad was only the straw that broke the camel's back, because the party was already dissatisfied with Itamar Franco.

Said Dias: "The government was not listening to the party. We submitted a program to the president, but he did not respond."

Another fact that embittered relations between the party and the government was an invitation for Alvaro Dias to hold the post of president of the Itaipu Binational Organization. The invitation was made five months ago and was accepted, but Planalto Palace did not take any further steps to implement the designation. Yesterday afternoon, after learning that the PP would withdraw its support for the government, leader Roberto Freire and Civilian Household Chief Henrique Hargreaves phoned Alvaro Dias asking him to come to Planalto Palace. Dias sent a message saying he was busy.

Governor Joaquim Roriz, part of the moderate PP faction, did not oppose the decision.

He said: "I personally support President Franco, but I will respect the decision of the party bloc."

'Groups' Said Interested in Weakening Franco's Image

PY0903022793 Rio de Janeiro O GLOBO in Portuguese 8 Mar 93 p 3

[Article by Monica Gugliano]

[Text] Brasilia—Civilian Household Minister Henrique Hargreaves said yesterday there are groups interested in weakening President Itamar Franco's image to destabilize his administration. These groups, which Hargreaves preferred not to identify, are allegedly responsible for certain rumors saying that the president's decisions are really made by members of the so-called "Juiz de Fora group."

"They are trying to demonstrate that the president does not command, that he has no authority. It is a scheme to say the president is weak, which is not true. The president has friends, but those friends do not command the government. He is the one who commands. No group exerts influence on him, and his friends do not give advice," Hargreaves said.

According to Hargreaves, there are no ministers who are closer to the president than others in the cabinet. There also does not exist first- or second-class ministers. Hargreaves said he prefers not to believe the ministers have complained about possible interference by President

Itamar's friends in government decisions. For example, he justified the participation of few first-rank officials in the meeting in which Eliseu Resende was chosen to replace Paulo Haddad in the Planning Ministry by arguing that many ministers were not even in Brasilia when the decision was made last week.

"It was necessary to make a quick decision. The president called those who were near, in Brasilia. He could not consult one of them who was in China," Hargreaves said of Education Minister Murilio Hingel.

This week Hargreaves will order Radiobras [Brazilian Radio Broadcasting Company], the official news agency, to interview all the ministers to see if any one of them has any complaints.

"Let us see if someone really says he cannot work with the president. Let us see if anyone speaks on 'on' (that is, if he acknowledges the complaint)," Hargreaves added.

Haddad's dismissal last week caused the Itamar administration's most serious crisis. The rumors about the influence of the "Juiz de Fora group" began with his resignation. During a 3 March meeting, the PFL [Liberal Front Party] even discussed Paragraph One, Article 81, of the Constitution on the vacancy of the presidential post.

"You will end up by setting the circus on fire," Deputy Roberto Magalhaes (PFL-Pe [Pernambuco]) said at that time.

The attempt to destabilize the president, according to Hargreaves, is so widespread that besides the creation of the "Juiz de Fora group" a new rumor is spread daily saying the government is losing congressional support and deputies are criticizing President Itamar Franco.

"One deputy speaks, makes a criticism, and that already means it was Congress. Who is Congress? One deputy? If we listened to the whole Congress, they would not have the same opinion," Hargreaves said.

Hargreaves also criticized those who accuse the government of dealing out second-level posts. He denied that Sao Paulo Governor Antonio Fleury Filho will appoint the Central Bank president.

"[Ceara] Governor Ciro Gomes condemned the practice of dealing out posts in an interview, but he still did not withdraw his petitions," Hargreaves said.

The government will face an important political test tomorrow with Finance Minister Eliseu Resende's statements to the Senate at the summons of Senator Eduardo Suplicy, leader of the PT [Workers Party] from Sao Paulo. According to Hargreaves, the government is calm and the minister will limit himself to explaning the provisional tax on financial operations (IPMF), the reason for which he was summoned. The senators, however, will want to hear other explanations from Eliseu, like the fines he paid to the National Accounting Office (TCU) and his program to stabilize the economy.

Officials Attempting To Prevent Isolation of Government

PY0803171293 Rio de Janeiro O GLOBO in Portuguese 6 Mar 93 p 3

[Text] Brasilia—To influence eminent graces. This is the strategy being developed by government congressional leaders and the major ministers, allies of decisions made by President Itamar Franco, to prevent the isolation of Planalto Palace. The possibility of a clash between the "Juiz de Fora group" [friends from Franco's home town] and the rest of the government has increased since the resignation of Paulo Haddad and the designation of Eliseu Resende as finance minister. Government leaders Roberto Freire [Chamber of Deputies] and Pedro Simon [Senate], plus Ministers Antonio Britto [Social Security], Fernando Henrique Cardoso [Foreign Relations], Walter Barelli [Labor], Luiza Erundina [Federal Administration], and Jutahy Magalhaes Junior [Social Welfare], have met to prevent an atmosphere of confrontation that has caused a clash in Franco's government between the "Juiz de Fora group" and other presidential advisers.

According to the strategy being implemented, the most influential ministers, along with friends of Franco, will try to increase, rather than isolate, the flow of talks between the "two governments." Roberto Freire, for instance, has excellent relations with Henrique Hargreaves [civil household]; Fernando Henrique Cardoso has the respect of Consultant General Jose de Castro Ferreira; Pedro Simon is a friend of Justice Minister Mauricio Correa; Antonio Britto is always chatting with Planalto Palace special adviser Ruth Hargreaves.

According to the talks, there is not the slightest possibility of preventing friends from influencing Franco. Politicians have concluded that because of the suspicious attitude of the president, he will not give up the idea of having his close circle of aides.

"We have to influence the influential leaders," a minister said.

At the same time, they are going to intensify their contacts with Franco himself to prevent a depression. On 8 March, for instance, PSDB [Brazilian Social Democracy Party] President Tasso Jereissati will go to Planalto Palace to tell the president that his party defends the idea of a dialogue between the government and Congress.

Editorial Views Franco's 'Crisis of Isolation'

PY0903143693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Mar 93 p 3

[Editorial: "Facing the Juiz de Fora Group"]

[Text] Public opinion must brace itself for further expressions of humor from the head of state. A private citizen has the right to give full vent to pent-up frustrations; a statesman cannot afford to do so lest he cause uneasiness to the nation. Franco has repeatedly shown that he has not yet realized that he is the president of the

Republic and that his frustrations in the political arena, or the ones caused by press comments or criticism, cannot be dealt with as the common man would do. In other words, just as the expression "physique du role" was once coined, another expression could be similarly coined now to state that Franco has given no indication whatsoever that he will conform to the "psychology of the post." This is the reason why we fear his flying into a rage. His rages are bound to become more frequent as it gradually dawns on his excellency that he is heading for the worst type of isolation that can ever afflict a human being, namely, the emotional isolation of those who have already reached the apex of power for which they had always thirsted.

The issue does not boil down to the fact that he will realize that he is alone. It will be much more traumatic for him to realize that he made the wrong choices and that he not only feels isolated but is also a prisoner of those who, deep down, he did not care about. To begin with, Sao Paulo Governor (whom he ostracized when appointing [Federal Administration Secretary Luiza] Erundina), and Minas Gerais Governor Helio Garcia (to whom he had to turn to for the support of "Minas Gerais residents"). Finally, those congressmen, who perhaps have not been singled out by the press, but who can change the course of events.

The only backing President Itamar Franco has now is the Juiz de Fora group, his close friends, responsible for the crisis of isolation that haunts the head of state and that threatens to disrupt the stability of the political system.

It is precisely this latter point that we are concerned about. We are not seeking to discuss a psychological problem but rather to highlight our concern about the stability of the government, which is being undermined by actions in Congress, the Foreign Ministry, and in certain high courts. But above all, because following the bad example set by Pedro I [1789-1834] (who could allege that he was then a young man who lacked the restraints imposed by his milieu), the president's suite, made up of old friends (sometimes old boys), have no intention whatsoever of defending the state in times of crisis, but rather their own political interests as well as their personal status. It is precisely the influence this suite has on the president that brings about a political crisis. It was the pernicious influence of certain people, together with the fact that former President Collor de Mello did not want to face reality, what brought about his government downfall first and then laid him open to public censure.

Social Security Minister Antonio Britto has voiced our feelings: "Brazil cannot put up with more mistakes." He should have complemented that crushing observation by reviewing the past: The government crisis exploded during Figueiredo's administration, continued during the Sarney administration, and has been threatening us during the Collor-Franco period. In this way, the Brazilian Government has drifted for 16 years, during which the chiefs of state have been taking care of themselves, congressmen have been conferring about how to fill the second- and third-echelon positions, and the institutions have been crumbling, and no one has warned the nation about it.

The three large bureaucracies that supported the Brazilian Government during the 1950s are agonizing and have practically lost their reason for being: the Bank of Brazil, the Itamaraty, and the Armed Forces. While their necrosis continues, the close circle, the members of the Juiz de Fora group, clash among themselves. Above all, they keep away anyone who could have a positive influence over the president.

Certain Franco administration ministers know we are speaking the truth. They are aware that many of the actions they agree upon with the president are then contradicted, because the last word is always said by those who have direct access to Your Excellency. Those who have more than access, who have influence, and even power, over the president. [sentence fragment as published] Last week, those few ministers dared to rebel, but they could do little more than that, because a very powerful political force is required to oppose those who attend the meetings, accompany the president to his home, or live near him. In addition, repeating the words Fernando Henrique Cardoso said during the impeachment process, when he was still a senator: A power project is required to oppose the Juiz de Fora group. No minister has this power project, nor do politicians, nor the bureaucracy.

Despite all that, there is a tenuous hope that the political system may survive the humor of someone who is alone—isolated by the close circle that he chose personally and a prisoner of those whom he does not appreciate—and that the ministers resist the Juiz de Fora group. Unless the ministers resist that situation, the political system—no matter how it is reshuffled and patched after Mr. Eliseu Resende's nomination—will go suffer a short circuit.

Commerce Minister Views Industrial Policy

PY0903192393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Mar 93 Economy Section p 4

[Interview with Industry, Commerce and Tourism Minister Jose Eduardo Andrade Vieira by Suely Caldas; date and place not given]

[Text] [Caldas] What are the basics of the industrial policy?

[Andrade] The industrial policy is defined by industrialists. The government only establishes guidelines and parameters, they do the rest.

[Caldas] What will be defined in the document entitled Industrial Policy Guidelines?

[Andrade] The objective is to create the conditions for promoting development. We are setting guidelines,

defining financial sources, and designing a taxation policy to improve the system of taxes on enterprises, which is in total chaos.

[Caldas] Do you mean to say that the tax burden will be reduced?

[Andrade] The idea is to reduce the number of taxes paid by enterprises to just six: income tax, consumption tax, sales tax, urban and rural area tax, importation tax, and social security.

[Caldas] Will the ICMS [Merchandise and Service Distribution Tax], IPI [Tax on Manufactured Products], and FTGS [Severance Pay fund] be eliminated?

[Andrade] Yes. All 56 taxes that burden enterprises will be eliminated. We want to reduce to 30 percent the tax burden on enterprise payrolls. Today this surpasses 100 percent in some cases.

[Caldas] But the Franco government has just created a new tax; the IPMF [Provisional Tax on Financial Operations]. If the government becomes poor, who will invest in education, health, and social programs?

[Andrade] It is the people—not the government—who should get rich. The government can be poor. The government has a social aim. Government means work. I am not speaking about reducing tax revenues. It is possible to keep them where they are, for example by taxing the rich by up to 80 percent and by creating a system to eliminate tax evasion. We want to make everyone pay their taxes, end tax exemptions, and eliminate the burden on enterprises and salaries.

[Caldas] What do you think of the position of the BNDS [National Bank for Economic and Social Development], which advocates policies for specific areas of Brazilian industry?

[Andrade] There should be neither policies nor priority treatment for industrial areas. The government should invest in education and manpower training, thus ending excessive state interventionism.

[Caldas] What is the BNDES role in the industrial policy?

[Andrade] A merely supplemental role. It is not a lever. A lever means promoting investments by reducing the tax burden. The BNDES will finance regional development, thus replacing development banks that should disappear—as should the Sudam [Amazon Regional Development Superintendency], the Sudene [Northeast Development Superintendency], the Bank of the Northeast, and the other regional banks.

[Caldas] But if the BNDES does not establish priority financing targets, how will they select from the large number of requests, on a first-come-first-served basis?

[Andrade] The only guideline that the BNDES will adopt is the promotion of regional development: for example, Manaus (Amazonas), which needs a different policy, or the Sao Francisco River valley. The BNDES will direct its funds toward those regions.

[Caldas] If the BNDES is reduced to that, is it not a waste, considering that the bank has specialists, and considering the bank's vast experience in the area of industrial development? You seem to be opposed to the rest of the government...

[Andrade] I am not worried about that. This a transition, coalition government. In a two-year term it is impossible to implement a consistent industrial policy.

[Caldas] Is it therefore unnecessary to define any industrial policy?

[Andrade] It would be fine if, during the next two years, we managed to change our stepmother Constitution, control inflation, and promote agreements between specific areas. It would be a big step forward if Labor Minister Walter Barelli and I manage to promote the same Constitutional amendment proposal amid the differences and disagreements prevailing within the government.

Shell, Texaco Said Reconsidering Investments

PY0903234493 Rio de Janeiro O GLOBO in Portuguese 4 Mar 93 p 1

[Text] The appointment of three successive finance ministers in the space of five months coupled with the uncertain future of the privatization program has prompted the Shell Company to suspend its investments in Brazil for 1993, which are estimated at $180 million. Shell, which until the end of 1992 was very intersted in submitting a tender for state-owned petrochemical enterprises, has decided to carefully review its future economic strategy in Brazil. Another oil company that has also decided to review its 1993 budget is Texaco. Texaco had planned to invest $30 million in Brazil in new jobs, terminals, and equipment. Texaco Deputy Chairmnan Paulo Kastrup stated that the investment allocated to Brazil will be less than previously estimated.

Government Denies Studying Measures on Market Laws

PY0903001693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 8 Mar 93

[Text] A communique was released today by Planalto Palace denying that the government is studying measures that will affect market laws. The communique reads that at no time did the Presidency of the Republic consider adopting a plan to reschedule the public debt or any other measure not respecting the contracts freely negotiated among economic agents.

The document stresses the commitment of the president of the Republic not to allow these kinds of measures to be adopted. It adds that control of the inflationary

process to resume economic growth and solve the country's social problems remains the basic guideline for President Franco.

PRC Minister Discusses Economic Exchanges

PY0803211893 Rio de Janeiro O GLOBO in Portuguese 8 Mar 93 p 13

["Exclusive" interview with PRC Foreign Minister Qian Qichen by Sandra Sanches in Rio de Janeiro on 7 March]

[Text] [Sanches] Will the PRC be the largest Asian power in the 21st century?

[Qichen] The prospects are that by the beginning of the 21st century the PRC will not be as developed as we wish. Per capita income is still relatively low. Although its total value, which was more than $400 billion last year, is already very high, we must still improve our performance.

[Sanches] Could you summarize the rules that serve the Chinese opening to foreign capital and the problems stemming from this?

[Qichen] Our reform began 14 years ago and we have passed through several stages since then. The main issue is the establishment of five special zones in coastal cities and the extension of that experience to other places. We are solving the problems stemming from this, like, for example, employment. The employment situation is good. There is barely 1 percent unemployment in the entire country in relation to the total economically active population. I also consider the problem of inflation under control. The price increase index in the PRC is about 6 percent annually. We do not have Latin American inflation to keep us from sleeping.

[Sanches] What made those special zones—the model cities created by Deng Xiaoping to test the capitalist economy within Communist policy—become successful?

[Qichen] The main reasons are the privileges and incentives the Chinese Government gave foreign investors. Low taxes are a great attraction. Autonomy is also very important. They have the power of decision to decide on the best businesses.

[Sanches] When will the economy's liberalization reach the whole country?

[Qichen] I would say that we already have begun to prepare the whole country to open to foreign capital. Truthfully, those zones were the first windows we opened. We still are learning how things work to extend this experience to take what has been successful to the rest of the country. For the time being there is no schedule.

[Sanches] How many foreign companies are in the PRC and what does their presence represent in investments?

[Qichen] The figures I have are from last year: More than 40,000 companies did businesses with the PRC, which represented investments of $45 billion. The forecast is more optimistic for 1993.

[Sanches] Do the rich provinces of the south still obey the central government's orders or is there already some kind of insubordination?

[Qichen] No. Some lies were said about this in the West. For example, it has been said that northern China will end up separating from southern China. That will not happen. Everything remains under control. Wealth has not changed the system. In the same manner, we could not say that Sao Paulo will separate from the rest of the country because it is richer.

[Sanches] According to the Sino-British treaty signed in 1984, Hong Kong will be returned to the PRC in 1997. Will the Beijing government guarantee the capitalistic system and territorial autonomy?

[Qichen] We already have a basic law for Hong Kong. It will be a special administrative relation with extreme economic autonomy. Its financial center and all the existing structures, such as health, transportation, etc., will be maintained. There are exceptions in the fields of defense and foreign affairs.

[Sanches] Is the Communist Party the only existing instrument for engaging in politics in the PRC?

[Qichen] I prefer to say that it continues to be a nucleus for the existing political forces. That will not change. But besides the Communist Party we also have eight other political parties. All those parties have contributed to the success of the revolution. The problem is that people in the West think the Communist Party is the only party in the PRC.

[Sanches] In the fifties, Mao used to say that the USSR was the PRC of tomorrow. Does the Soviet empire's disintegration represent a problem for the PRC?

[Qichen] No. The disintegration was good for the PRC. The two countries have a history of 30 years of confrontation. The disintegration eliminated the military threat against the PRC, and it demonstrated to the Chinese people that our path is the correct one. No Chinese citizen wants the current Russian reality.

[Sanches] Does the PRC feel totally integrated in the international community or does it still face the consequences of the 1989 incidents when thousands of students were massacred by government troops in Tiananmen Square, which ended up isolating the country?

[Qichen] We never felt isolated. After that episode there have always been more countries in favor than against us. In practice, it is impossible to isolate the PRC. It is the same as isolating a fifth of the world's population. Those who intend to isolate the PRC end up being

isolated themselves. The figures of our economy demonstrate that the incidents have been overcome.

[Sanches] Once the PRC is economically and militarily strengthened, will it attempt to recover part of its territories it lost in the past to Russia, Vietnam, and India?

[Qichen] We already are negotiating the sovereignty in some border countries. We will continue this process, always peacefully, without confrontations.

[Sanches] Are there internal pressures—like an extreme and rancorous nationalism as a result of the Japanese occupation—against a rapprochement with Japan, which promises big investments in the world's largest consumer market?

[Qichen] The Chinese and Japanese are learning the lesson history is teaching us. There are no reasons for confrontations. The people are not to blame and they cannot be held responsible for their governments' mistakes. The mistake was made by the imperialistic and militaristic Japanese Government.

[Sanches] What are the prospects for exchange between the PRC and Brazil?

[Qichen] I think the prospects are very good. We already had a very good trade year in 1985, when trade between the two countries reached $1.4 billion. Trade exchange then began to diminish. Brazil began to buy scarcely anything from the PRC. Last year, for example, the PRC bought $500 million worth of Brazilian products while Brazil bought barely $100 million worth of Chinese products. This must change.

[Sanches] What could the PRC sell to Brazil?

[Qichen] Mainly, iron ore. But the PRC could sell many more things.

[Sanches] Does the PRC export nuclear technology to other countries?

[Qichen] Much is said about that but the PRC only sells nuclear technology to countries that will apply it to peaceful purposes.

Chile

Congress Rejects Constitutional Reform Proposal on Aylwin

PY0903201893 Santiago Radio Chilena Network in Spanish 1600 GMT 9 Mar 93

[Report from Congress building in Valparaiso by Jose Manriquez Contreras]

[Excerpt] The UDI [Independent Democratic Union] today refused to discuss a proposal in the Chamber of Deputies to amend Article 45 of the Constitution that would allow President Patricio Aylwin to become a senator for life once he concludes his term in office.

The National Renewal Party had already said it would abstain from voting on this matter. If it is to be successful, this project needs 80 votes from deputies. This represents the three-fifths of the quorum established to discuss amendment proposals.

The coalition has only 70 votes, possibly 71 if Mario Palestro, of the MIDA [Allendist Leftist Democratic Movement], votes in favor of this measure. Even with him, there are not enough votes for its approval.

Deputy Cristian Leay spoke on behalf of UDI, saying that this does not mean the UDI is against the current president, but that it wants a political guarantee for the permanence of designated senators. [passage omitted]

Communist Leader Says Army Communique 'Incomplete'

PY1003011193 Santiago Radio Cooperativa Network in Spanish 2200 GMT 9 Mar 93

[Text] Jorge Insunza believes the Army's answer to the Communist Party is incomplete and that it endorses its commander in chief's political activities.

The Communist leader referred to his party's request to the Comptroller General's Office to investigate what General Augusto Pinochet spent during his vacation trip.

This subject is not mentioned in the explanation given by the Army, although the Communists maintain that Pinochet spent money in a way never spent before by another commander in chief, according to Insunza.

[Begin Insunza recording] They did not give an explanation because they do not have one; such behavior cannot be defended. We are awaiting the results of the investigations requested from the comptroller general, and we believe this investigation must be carried out and the results disclosed to the entire Chilean nation. [end recording]

Insunza recalled that he had stated that there is a worrisome link between Pinochet's statement and the fact that the dismissal of Supreme Court Minister Hernan Cereceda was not being recognized.

In Insunza's opinion, these two facts place the institutional system at stake:

[Begin recording] They want this issue to reach the National Security Council. In other words, they want to create an institutional conflict in which their military power, which is represented by Pinochet in the first place, may have the chance to act inappropriately before the democratic government and the bodies elected by the people. This behavior hinders the Chilean democratic process. In our declaration, issued on 5 March, to which the Army declaration does not refer, we pinpointed these two phenomena and the link between them. [end recording]

When asked what he thought about the fact that the Army has answered a statement by a Communist leader, Insunza admitted that he was satisfied despite his objections to the contents of the Army response.

Foreign Minister Denies Pinochet Visit Linked to Arms Sales

PY1003150593 Madrid EFE in Spanish 0032 GMT 10 Mar 93

[Text] Montevideo, 9 Mar (EFE)—Chilean Foreign Minister Enrique Silva Cimma stressed here today that the private visit to Uruguay by General Augusto Pinochet, the Chilean Army commander-in-chief, was not linked to the arms trade.

The foreign minister explained that Chile does not intend to sell arms to Uruguay and that Gen. Pinochet just spent a few days here resting.

Silva Cimma added that, under Chilean law, private visits by the Army commander-in-chief which last less than 20 days must be officially reported but do not require authorization.

Silva Cimma emphasized that exports of arms manufactured by the Chilean Army usually follow a consultation to the Foreign Ministry, which did not happen in this case.

In a note to government officials and the media last week, the Sun Party [Partido del Sol], one of the two Uruguayan ecologist political groups, pointed out that the goal of former President Pinochet's visit was to promote arms sales.

The ecologist leaders stated that Pinochet's presence was linked to the promotion of new arms manufactured by the "Lynx" Air Defense group, including various types of tanks, projectiles, and rifles manufactured by "FAMAE" [Army Ordnance] under Swiss license.

The Sun Party added that the aforementioned materiel was presented in July 1991 to the Latin American Armed Forces at the Fuerte Arteaga test range, north of Santiago.

South African President Postpones Visit

PY1003024393 Madrid EFE in Spanish 0023 GMT 10 Mar 93

[Excerpt] Santiago, 9 Mar (EFE)—The South African Government today announced the postponement of the visit to Chile by South African Frederik de Klerk, which was scheduled to take place between 31 March and 1 April.

According to the ORBE News Agency, the decision was prompted by the progress of constitutional negotiations currently taking place in South Africa, which have reached a very crucial and delicate stage, requiring the permanent presence of de Klerk in the country. [passage omitted]

Colombia

Escobar Asks Archbishop To Mediate Surrender

PA0903205893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Mar 93

[Text] Pablo Escobar Gaviria reportedly wants to surrender to the authorities. According to Monsignor Dario Castrellon, archbishop of Bucaramanga, the drug trafficker asked him to hold meetings with the government and the Prosecutor General's Office to facilitate his return to prison.

Monsignor Dario Castrellon revealed from Rome on 9 March that the drug trafficker asked for his mediation to surrender to the authorities once again. The Bucaramanga archbishop did not say when or how the Medellin Cartel leader made the request, but he explained Escobar is only concerned about his safety and that of his family.

[Begin Castrellon recording] Anything that can be done to restore peace in Colombia, to restore tranquility, and to avoid terrorism should be done. People of goodwill should commit themselves to it despite the risks and inconveniences that are involved. [end recording]

Ecuador

Police Confirm Arrest of Drug Trafficker in Colombia

PA0903151693 Quito Voz de los Andes in Spanish 1200 GMT 9 Mar 93

[Text] The National Police have confirmed the arrest in Colombia of Ramiro Reyes Torres, brother of drug trafficker Jorge Reyes Torres, who was detained in Ecuador, and announced his immediate extradition to the United States.

Reyes Torres was arrested in Cali, Colombia, on 6 March in an joint operation by the Colombian Administrative Department of Security and the Ecuadoran Police Intelligence Unit. Reyes Torres is in police custody in Santa Fe de Bogota, from where he will be extradited to the United States to face drug-trafficking charges filed by the DEA.

During his stay in Colombia, Reyes Torres changed his address several times and was very careful about his movements to avoid detection. Ramiro Reyes Torres, brother of Ecuadoran drug trafficker Jorge Reyes Torres, was arrested in Colombia.

Military Commanders Justify 6 Mar Military Operation

PA0903150693 Quito Voz de los Andes in Spanish 1200 GMT 9 Mar 93

[Text] Jose Herrera, Jorge Donoso, and Alfredo Chacon, commanders of the 2d Military Zone, 1st Naval Zone, and 2d Air Zone have said the 6 March military operation in Guayaquil was justifiable and timely.

They noted a military operation implies the use of force and any opposition can have serious consequences. Therefore, they said, cooperation from citizens is required.

The military commanders added that in the future the Armed Forces will act with the sole purpose of fighting terrorists trying to disrupt peace in the country.

Three persons were killed in the 6 March operation, and people have protested the harshness of the action. The military commanders, however, said the criminals who were killed fired their weapons at close range at the soldiers participating in the operation.

Foreign Minister on South Pacific Commission Meeting

PA0903163993 Quito Voz de los Andes in Spanish 1200 GMT 9 Mar 93

[Text] Foreign Minister Diego Paredes reported the fourth meeting of Foreign Ministers of the South Pacific Permanent Commission decided to create a special zone around the Gallapagos Islands to protect the ecological conditions in the area.

Paredes added the foreign ministers are interested in strengthening the existing mechanisms to protect whales in the Southeast Pacific and establishing zones for the preservation of the species.

In addition, the foreign ministers signed a declaration in which they stressed the need to regulate maritime transportation of radioactive, dangerous, or toxic substances through the South Pacific coastal region.

Paredes said the fourth meeting of the South Pacific Permanent Commission in Lima ratified the right of countries bordering the South Pacific to protect the species inhabiting their respective coasts.

Paraguay

Colorado, PLRA Leaders Seek Elections Suspension

PY0803195893 Asuncion NOTICIAS in Spanish 8 Mar 93 p 7

[Text] Under the pretext that the National Encounter might win the 9 May elections, Colorado Party officials are reportedly seeking agreement with the PLRA [Authentic Radical Liberal Party] to extend President Rodriguez's term in office until late 1994. This charge was leveled by [independent Colorado Party candidate] Leandro Prieto Yegros during the Political Strategist program that is aired by Radio Cardinal.

Prieto and Carlos Romero Pereira participated in a political debate on Radio Cardinal. They reviewed the current national situation in the face of recent Colorado Party events.

Points were discussed and many questions were posed to the official Colorado Party candidates, both by guests and by numerous listeners.

Prieto said that he has information that [Colorado Party] executive board officials are seeking a meeting with top PLRA leaders to reach agreement over extending President Andres Rodriguez's presidential term by one and one-half years.

Prieto said the logic behind the ruling party leaders attempt to convince the PLRA is that if elections are held on 9 May, both the Colorado Party and the PLRA will lose because the National Encounter has every chance of wining.

Several recently conducted polls indicate that the Colorado Party will lose votes following the nomination of Juan Carlos Wasmosy as presidential candidate. This would almost exclusively benefit National Encounter candidate Guillermo Caballero Vargas because Colorados still hesitate at the thought of voting for a liberal candidate.

Prieto said that this plan is being used to convince the PLRA to support an extension to the presidential term.

This plan would clearly represent a constitutional violation because it involves suspending the presidential elections scheduled for May.

Wasmosy Urges Colorados To Support Ticket

PY0803193993 Asuncion ABC COLOR in Spanish 7 Mar 93 p 2

["Principle excerpts" of interview with Juan Carlos Wasmosy, Colorado Party, National Republican Association, ANR, presidential candidate, by unidentified ABC COLOR correspondent, on 6 March—place not given]

[Text] [ABC COLOR] How do you view the Colorado Party after the primaries? Is it in a position to win the May elections?

[Wasmosy] I believe the Colorado Party is being cleansed of past mistakes. A majority, century-old party such as ours becomes strengthened by admitting its mistakes and by having the courage to correct them. I believe this is grandeur. We cannot smash ourselves through the fault of outright obstinacy and fanaticism. We must keep pace with the times.

[ABC COLOR] Following your and Dr. Seifart's nomination as the official Colorado Party candidates, what plans do you have to attempt to reunite the divided Republican force to attempt to win the 9 May elections?

[Wasmosy] First, we are drafting a work schedule. We worked yesterday (Friday) all day, and today (Saturday) we will complete our work. Despite all this work, we maintain talks with all political bosses, Colorado Party precinct presidents, and nominated candidates from other tickets. We are talking not only with Ticket No. 4

fellow party members, but with people from Tickets Nos. 3 and 5 as well. We have an open spirit because we must all work together. Here, not only a ticket, but the entire Colorado Party already is involved.

[ABC COLOR] Ticket No. 4's electoral force is known. To attempt to secure these votes, would you negotiate with its leaders? Would you negotiate with Dr. Argana? Would there be room for him in your plans?

[Wasmosy] The doors are open to all those people who want to cooperate. They are not closed to anyone. Moreover, we are inviting the people and talking with them.

[ABC COLOR] Concerning this attempt to hold talks with other groups, are you truly interested in giving them direct participation in the national campaign or in another specific task?

[Wasmosy] I will tell you more. Everyone will be included in the electoral commission, that is, in the executive board ...

[ABC COLOR] Can you give us names?

[Wasmosy] I would rather not, because the work timetable has not been completed. As you already know, there is plenty of touchiness and mistrust in politics. Nevertheless, I am telling you everyone will be included. At least, I am going to invite them and ask them to participate. Here not only Juan Carlos Wasmosy and Angel Roberto Seifart, but the Colorado Party is involved.

[ABC COLOR] There is a lot of talk about the ticket's future. Is your ticket firm? Will the ticket remain united until 9 May?

[Wasmosy] The ticket never was weak. It only happens that actions are always taken in a primary campaign to produce division and unrest. Nevertheless, this is logical in a political campaign. Each one pursues his or her interests. Nevertheless, the ticket never was in doubt. It remains firm. It has been registered and the entire Colorado Party must support it.

[ABC COLOR] There is little time to conduct an electoral campaign. How will the internal wounds be healed?

[Wasmosy] During the electoral campaign conducted by all the movements and despite all the ups and downs, the political leaders and all the political bosses rekindled that Colorado passion that was dwindling.

[ABC COLOR] Does your ticket still support the implementation of the free play of supply and demand?

[Wasmosy] It is categorically supported because I am convinced that without economic stability there will be no political stability. No political movement can say it will implement social justice and development if it does not solve the economic issue. We will courageously implement the measures. Nevertheless, we will correct the economy by increasing employment and by allowing the people to have economic stability so that the democratic process will be strengthened.

[ABC COLOR] Public servants fear that, as president, you will only produce unemployment and layoffs.

[Wasmosy] We will seek to improve the status of public servants. We will change the current public administration statutes in order to protect public servants so that they will not remain at the mercy of directors or presidents of agencies who, for political, reform, or organization reasons, harm public servants. We will propose the holding of a national public servants congress to establish a legal framework to protect their interests. And this legal framework will be submitted to Congress. Here is a case in point: At the municipality, they are always talking about an opening by the Asuncion For All [APT] movement. Nevertheless, nearly all Colorado public servants there were fired and replaced by APT supporters. Therefore, all those Colorado public servants must take into account that if our party does not succeed on 9 May, given the short time we have to heal some wounds and become aware that we must all work together, we will run the risk that the next administration—unless it is a Colorado administration—will fire all of them. In this regard, we must not delude ourselves because, under the excuse of having trustworthy people, they will fire everyone from their posts.

[ABC COLOR] Are you acquainted with the challenge of the possession of land by just a few and the poverty of landless peasants?

[Wasmosy] I am not in favor of expropriating land from one person in order to give it to another person. If there is a 30,000 hectare cattle ranch, we will impose taxes in order to make that land productive. It is cheap populism to say: Gentlemen, we will divide this land into a given number of 1,000 hectare cattle ranches. No peasant can make a living on 1,000 hectares [as published]. We will give land, but will also give the required support, training, seeds on a timely basis, credits, and guarantees for the production. Prices actually depend on the international market and this is known in advance. Therefore, we will proceed quite frankly. If the price of a certain agricultural product will not be in keeping with the peasants' effort, we will take precautions and tell them not to grow a given crop and we will insist on agricultural variety. I repeat, all this cannot be done from one year to the next, but we will begin with it.

Itaipu Hydroelectric Plant Workers Strike

PY0903224393 Asuncion NOTICIAS in Spanish 9 Mar 93 p 20

[Article by correspondent Juan Carlos Salinas]

[Excerpts] Ciudad del Este—The Itaipu hydroelectric power plant's third general strike began yesterday. About 1,500 Itaipu employees and about 2,500 Itaipu contractor company employees are fully supporting the

strike. The strike was effectively implemented after a meeting at the Hernandarias project area main gate. It was established that the strike will be indefinite with the full support of Paraguayan and Brazilian workers.

The goal of the Itaipu workers' general strike is to demand the reinstatement of 305 CONTEC [expansion unknown] -CONEMPA [Consortium of Paraguayan Construction Companies] workers and two Brazilian Itaipu employees and the creation of employer-worker negotiating commissions to solve conflicts. [passage omitted]

The workers also demand the full implementation of the Itaipu Binational Treaty, with the creation of employer-worker commissions, as a fair resort to decide labor conflicts between workers and companies. A proposal was raised to have these employer-workers commissions comprising four representatives of the workers and four representatives from the enterprises. During their meeting, the workers asked worker Rosalino Espinola to end a hunger strike that he has been strictly observing for 22 days. Espinola agreed to the petition by his fellow workers. He is one of the 305 workers fired by CONTEC-CONEMPA.

Air Force Denies Possession of Stroessner-Era Weapons

PY0903230493 Asuncion ABC COLOR in Spanish 7 Mar 93 p 17

[Text] The Air Force commander, Division General Jose Cespedes Zarza, has confirmed that none of the weapons allegedly purchased by the Paraguayan Armed Forces during Alfredo Stroessner's regime for Aeronautica are in the force under his command.

During a brief interview with ABC COLOR, Cespedes said the Air Force never had the weapons that allegedly were purchased when General Alejandro Fretes Davalos was Armed Forces chief of staff.

Cespedes, who was accompanied by the Air Force chief of staff, Brigadier General Cesar Cramer, who confirmed the former's comments, said that "neither the aircraft, the Sea Cobra helicopters, nor the Lockheeds came to our country nor were at the Air Forces' disposal. We do not have those weapons."

The high-ranking military chief was unable to disclose further details on the subject "because at that time I was military attache in Argentina."

Asked whether he was aware of the participation of military chiefs in weapons trafficking to the Near East, Cespedes noted that "there were always rumors that our country was part of a route for weapons trafficking, but I was never able to prove that."

President Orders Release of Colonel Gonzalez

PY0803025093 Asuncion HOY in Spanish 7 Mar 93 p 41

[Text] Colonel Luis Catalino Gonzalez Rojas was released yesterday, and is now resting in his home in Sajonia District. This information was confirmed by his son, Raul Gonzalez Salazar, who confirmed that his father arrived yesterday morning from Pena Hermosa. Col. Gonzalez Rojas, in the company of General Regis Anibal Romero, was transported from Pena Hermosa to Asuncion aboard a military airplane.

Col. Gonzalez Rojas' release was ordered by the commander in chief, General Andres Rodriguez, after a 37-day imprisonment in the Pena Hermosa military penitentiary.

After Gonzalez Rojas' second release, the office of the commander in chief is studying a definite assignment for the colonel who began having "discipline" problems after having reported corruption cases within the Armed Forces in September. He served a 44-day incarceration in the Presidential Guard barracks and 37 days in Pena Hermosa.

The 90-day sentence was suspended on Gen. Rodriguez's orders. The colonel's sons and daughters said: "We are very happy with our father's return."

Congress To Investigate Alleged Arms Trafficking

PY0903234293 Asuncion NOTICIAS in Spanish 9 Mar 93 p 13

[Text] The disclosure of documents regarding dubious purchases and sales of weapons in the country prompted an immediate reaction by legislators, and the Presidency of the Congressional Investigating Committee on Illegal Activities [CBII] announced yesterday that the subject would be investigated.

The Presidency summoned three legislators, who will form the "Investigating Subcommittee" that will be in charge of summoning those who appear to be involved in the case. Among these people are members of the National Directorate for Civilian Aviation (DINAC) and a member of the influential Saba family.

Ricardo Lugo Rodriguez, Osvaldo Bergonzi, and Rodolfo Gonzalez Garavelli, all of them CBII members, were appointed during yesterday's session to form part of the working team.

During the session some legislators referred to articles published by this and other dailies that prompted BCII President Waldino Ramon Lovera to order the investigation. Deputy Ricardo Lugo Rodriguez said the investigating subcommittee may request the media's cooperation to start collecting information. It was not disclosed when this will begin.

Arms Trafficking for Iran in 1983 Disclosed

PY0903212393 Asuncion ABC COLOR in Spanish 7 Mar 93 pp 16, 17

[Text] General Alejandro Fretes Davalos [former Armed Forces chief of staff] on 15 July 1983 signed a letter of intent confirming to a German company the Paraguayan Armed Forces' decision to purchase 50 "Leopard II" tanks and clarifying "the possibility of further orders in the future."

This document shows that almost immediately after the contact between the negotiators, which probably began in the first few days of July, our country's military officials accepted participating in arms trafficking. This was, of course, an "easy" deal that would bring such great profits the middlemen could not reject it.

The document signed by Fretes Davalos added that the material must have "standard" equipment and all the "options" must be guaranteed.

The document also certified that the equipment's final destination would be Paraguay and the tanks' basic purpose was "to guarantee the defense and security of our territory against foreign aggression." The document also notes that the materiel would be based in Asuncion.

The final document that had to be sent to the German company for the operation to be accepted was signed on 21 July 1983 and certified that the 50 "Leopard II" tanks "included in our letter of intent with reference 93/83 of 15 July" would have an overall cost of $105 million.

A surprise letter sent to Gen. Fretes Davalos by a so-called "Gustavo" dated 26 July 1983 said the letter of intent was approved in Bonn, but warned that the "end use" [preceding two words in English] letter must be changed in accordance with an attached copy.

The letter said the end use letter must be prepared with three originals in Spanish and three originals in German. The letter clarified that the changes were necessary for better preservation of the country's interest and to prevent the letter from being used for a different operation and amount than the ones specified.

The so-called Gustavo explained that the information was given to him by a captain named Roussillon, who lives in Geneva, Switzerland, who reportedly told him that he would personally wait for him next week in that city to conclude the operation.

Although the first operation was not made right away, the Paraguayan middlemen immediately began actions to start negotiations for the purchase of 23 F-4E, USAF Improved Fire Control Standard, airplanes.

Gen. Fretes Davalos again submitted a letter of intent to purchase these airplanes for our Air Force on 22 September 1983 with reference JEMFA 130/83.

The Paraguayan middlemen also asked to buy 10 Bell 209 Sea Cobra helicopters, which was one of the most sophisticated air weapons at that time.

All of the operations were to be carried out with the Kindrib Ltd. company, Registration 168504, 45 Avenue de la Praille, Carouge, Geneva, Switzerland, whose president, J.P. Delannes, was authorized to negotiate on behalf of the Iranian Defense Ministry.

Based on the documents found, the list of people who knew about the operations and probably received great profits in the triangular operations were:

Alfredo Stroessner: It is known that any "big business deal" in our country had to have the support of the "number one" [preceding two words in English]. Stroessner was the one who finally authorized the purchase of war materiel; therefore, he had his percentage of the juicy business set up to sell weapons to a country like Iran, which was under an embargo by the international community.

Some documents showed that the former dictator was always informed on all aspects of these operations.

Gen. Alejandro Fretes Davalos: He was the Armed Forces chief of staff under Alfredo Stroessner when the operations were carried out. He was one of the Paraguayan middlemen more directly involved in arms trafficking because as Armed Forces chief of staff he authorized, on the Armed Forces' behalf, the purchase of the war materiel that was finally handed over to the Iranian Government. Several documents show his participation in the operations.

The fact remains that after the 2 and 3 February 1989 coup Gen. Fretes Davalos was the only high-ranking military officer with great influence in the Stroessner regime who was not bothered at any time by the new government. All the other high-ranking officers were bothered in one way or another. Fretes Davalos, however, was not "touched," which leads to the speculation that this is how he was paid for the favors received.

Gustavo Saba [President Rodriguez' son-in-law]: His influence in the Alfredo Stroessner government was used to carry out the "triangulation" operations. The Kindrib Ltd. company sent the Pan de Azucar Bank of Uruguay several commission payments for millions to Saba, and this creates the suspicion of his participation in the arms trafficking.

Cesar Franco C: The name of this individual can also be found in some documents and in the applications for commissions made by Kindrib Ltd. to the Pan de Azucar Bank. The arms traffickers first contacted Franco Croskey about the arms trafficking but the contacts were suspended on Saba's orders.

It is almost certain that more military officers were involved because this type of operation had to be shared by other high- ranking Armed Forces officers to be safe.

Peru

Fujimori Creates Organization To Fight Monopolies

PA0903140893 Lima Global de Television Network in Spanish 0100 GMT 9 Mar 93

[Text] The government will not allow a bus cartel to set urban transportation rates. President Alberto Fujimori made an announcement to this effect upon establishing the National Institute for the Defense of Competition and Copyright Protection [Instituto Nacional de Defensa de la Competencia y de la Proteccion de la Propiedad Intellectual—Indecopi], which will fight monopolies and oligopolies.

The institute was created by Decree Law 25868 as an outgrowth of the former Institute for Technological and Standards Research to exercise some control over excesses in the market. Indecopi is an autonomous, technical agency staffed by a select group of professionals, who will work with the following commissions: National Commission for Free Competition [Comision Nacional de Libre Competencia], National Commission for Inspection, Dumping, and Subsidies [Comision Nacional de Fiscalizacion, Dumping, y Subsidios], Consumer Protection Commission [Comision de Proteccion al Consumidor], National Commission for the Supervision of Publications [Comision Nacional de Supervision de la Publicidad], Commission To Prevent Unfair Competition [Comision de Represion Contra la Competencia Desleal], Commission To Oversee Technical Standards, Methods, Quality Control, and Customs Restrictions [Comision de Supervision de Normas Tecnicas, Metodologias, Control de Calidad y Restricciones Pararancelarias], and Commission To Simplify Access to and Withdrawal from the Market [Comision de Simplificacion de Acceso y Salida del Mercado]. The institute will also ensure copyright laws are respected and combat all forms of plagiarism.

[Begin Indecopi President Jorge Muniz recording] Indecopi has been founded on two premises: the first is its autonomy, and the second, its essentially technical nature. According to its charter, Indecopi is an autonomous body, independent of both the rest of the state apparatus and the private sector. [end recording]

For his part, President Fujimori said in his speech that Indecopi was created as the embodiment of a working philosophy that will allow the state to be an effective arbiter between economic agents without having to distort or intervene in the market.

[Begin recording] [Fujimori] Indecopi will be an autonomous body that will enforce market regulations. Any distortion by any sector will have to be corrected through Indecopi.

[Unidentified reporter] Does this apply to urban transportation fares and pensions?

[Fujimori] Let us discuss urban transportation fares. Indeed, there are periodic increases in the cost of these fares that are determined solely by the transportation sector. That type of mechanism, in which prices are set by a sort of cartel, thereby eliminating free competition among the various bus lines, bus associations, and associations of owners, must be corrected. [end recording]

Subsequently, the president denied the reported capture of the Tupac Amaru Revolutionary Movement [MRTA] execution squad that was responsible for killing industrialist David Ballon Vera and General Enrique Lopez Albujar. The president also discussed other topics.

[Begin recording] [Unidentified Reporter] The MRTA squad that killed Engineer Ballon Vera has reportedly been captured.

[Fujimori] I deny that the MRTA group responsible for killing the mining entrepreneur Ballon Vera or Gen. Lopez Albujar has been captured. There has been no such capture.

[Reporter] Mr. President, to change the subject, on 7 March you noted irregularities in the police and Army pension funds. You have called for investigations, in addition to bringing new charges against Gen. Salinas Sedo. Please expand on this.

[Fujimori] I am waiting for further information on these funds—such as on the balances and the movement of those funds—as well as an explanation of the purchase of a house in Washington, because it is of interest to the public and to dispel suspicion. If there is a good explanation, I will reject the suspicion that the house in Washington could not be purchased with a general's pension.

Investigations are continuing in the Navy case. Some names will be released that will almost certainly cause a stir, but we have to wipe out all those who have acted in a corrupt manner. We are going to arrest, bring to trial, and punish them. The government will show absolutely no weakness in this matter. I am not going to give names at this time. Mr. Villagarcia is still making confessions.

As for the military-police pension fund, an investigation is also necessary. There are indications of mismanagement and acceptance of bribes. We have to identify those responsible as $120 million is handled there and at times some speculative actions have been taken. Another kind of mismanagement has taken place in the past in high-ranking military and police circles. We have to act severely against these things. No general or admiral here can be considered untouchable. [end recording]

Unnamed 'Foreigners' Reportedly Infiltrate Terrorist Groups

PY0903223593 Lima EL COMERCIO in Spanish 22 Feb 93 p A11

[Text] Huancayo, 21 February—General David Jaime Sobrevilla, the political-military chief for the Mantaro

Front Security Subzone No. 7, on 21 February stated that some foreigners have infiltrated local terrorist groups and that security forces are successfully carrying out psychological warfare.

Sobrevilla said these armed groups comprising evil Peruvians and foreigners want to impose their ideas by force, but they are being defeated with the support of the forces of order and the people.

He said the Army has outlined specific objectives aimed at consolidating peace in Peru. He added that the conditions are appropriate to guarantee the people's security.

The first objective is designed to destroy the terrorist groups and disrupt their will to struggle and of those who support them.

The second objective is aimed at eradicating the narco-terrorist groups and at stopping the support they receive from some elements.

The third objective is designed to obtain and maintain the people's support, and the fourth seeks to mobilize the civilian society in defense of the democratic system and encourage the people's voluntary organization for defense in the rural and urban areas. The Army also advocates the need to strengthen morale and constantly improve the forces of order's performance.

During a news conference, Sobrevilla voiced "the firm willingness of the entire population to achieve peace, and thus assure the people's well-being and progress."

He reaffirmed that "the forces are acting against some groups that began the struggle 12 years ago but, in keeping with the legal framework, that has been modified."

Commission Proposes Congress Become Unicameral

PA0903161793 Lima Global de Television Network in Spanish 0000 GMT 9 Mar 93

[Text] The Peruvian Constitution Commission has ratified a proposal for the next Congress, which will have a five-year legislative period, to be unicameral. The members of the new Congress will be elected by a system that combines single and multiple districts. This initiative, proposed by the majority, led to an incident between the government and opposition factions.

The Constitution Commission approved five articles dealing with the structure of the next Congress. To begin with, the number of congressmen will not exceed 100.

[Begin Congressman Fernando Oliviera recording] I wish this article to be properly studied and to consider all other related legislation. For instance, I would like to hear from the lawyers, not because I think they have the final word on the legislative issue or any other one for that matter, but because their opinion is very important. After all, they worked hard to outline a draft constitution, even in the face of disagreement with the majority's ideas. [end recording]

This was the permanent cry of a congressman who was never present when the vote was taken on a unicameral congress. The debate on the structure of the Congress, its dissolution by the Executive, and the renewal of the Congress in three elections was deferred. The commission, in addition to ratifying the decision made on 4 March, ruled that presidential candidates cannot simultaneously present themselves as candidates for a Congressional seat. The only exception to this rule would be the candidates for vice president.

Once again, the majority and opposition congressmen showed there is no harmony in the debates.

Decree Modifies Stock Exchange Law

PA0903143993 Lima Global de Television Network in Spanish 0000 GMT 9 Mar 93

[Text] On 8 March, the decree modifying the law regulating stock market activity was published in EL PERUANO. The decree allows business establishments to operate with 75,000 soles as an initial capital investment. The decree was issued to encourage the establishment of new business corporations to bring about capital market growth.

Decree No. 26172, approved by the Constituent Democratic Congress, modifies the current stock market exchange law. Prior to the modification, to be listed, a corporation was required to have a minimum initial capital investment of 300,000 soles. With the new reforms, corporations will only be required to have 75,000 soles as an initial capital investment [words indistinct].

The initial investment may consist of a bank deposit in favor of the National Supervisory Commission for Enterprises and Securities [CONASEV], a letter of credit in favor of CONASEV, or a foreign currency banking certificate deposited in a local bank and in favor of CONASEV. The decree also encourages the creation of the capital markets institute.

The new decree has two new important features. It increases the stock market investment base and it aids in the reopening of the Arequipa stock exchange. The decree has been well received and has been considered favorable to stock market growth.

[Begin Peruvian Stock Exchange President Jose Luque Otero recording] This will undoubtedly mean more business corporations participating in the market, new clients, and more business activity. [end recording]

'Russian Experts' Help Build Irradiation Plant

PY0903220293 Lima EL COMERCIO in Spanish 20 Feb 93 p A6

[Text] The Peruvian Institute of Nuclear Energy, IPEN, already has finished 60 percent of the Pico Onda irradiation plant's construction. This plant is designed to preserve medicines and foods, will cost $3.5 million, and is being built on a five-hectare property adjacent to the future Santa Anita wholesale market.

IPEN Executive President Conrado Seminario Arce stated that the next step to be taken next week will be the cement structure to be built on the roof of the 5-meter-high bunker where the sophisticated Pico Onda irradiation equipment will be placed.

This equipment will be installed with the assistance of Russian experts and experts from the International Atomic Energy Agency, IAEA, which is a specialized UN organization.

Engineer Lucas Fajardo Ascornao noted the performance of the Peruvian experts who are building the plant by closely observing international nuclear security regulations.

He said that safety precautions have been reinforced in the construction of the irradiation rooms of the bunker, which also will contain the 20-cubic-meter nuclear dump and other areas to store the radioactive source with cobalt-60 radioisotopes designed to protect, inhibit, pasteurize, and disinfect vegetables, meats, and medicines.

Seminario reported the plant could be used by private institutions or a partnership could be created with IPEN.

He said the Pico Onda plant will be aimed at preserving foods as long as possible.

It also will be used to pasteurize fruits, poultry, and sea products, including fish and shellfish.

Uruguay

Transport, Public Works Minister Resigns Post

PY1003022493 Madrid EFE in Spanish 0124 GMT 10 Mar 93

[Text] Montevideo, 9 Mar (EFE)—Transport and Public Works Minister Wilson Elso Goni resigned his post today after a disagreement between the two main factions of the National or Blanco Party.

The news was confirmed by Senator Carlos Julio Pereyra, leader of the National Rocha Movement, the second most important political group that supports the administration of President Luis Alberto Lacalle in Congress.

Pereyra's faction has publicly disagreed with the government's neoliberal economic policy and it requested a change in the economic team. Pereyra had given the president until 16 March to change the economic orientation and better distribute public resources, especially through salary increases for public employees.

The crisis started tonight after the government announced a new fiscal adjustment, and Senator Pereyra said his faction, whose votes in Congress are necessary to obtain a majority, was not consulted.

After Pereyra made his statements, Lacalle invited him to his residence together with Vice President Gonzalo Aguirre.

After the meeting, Pereyra announced that the only cabinet member who belongs to his faction had tendered his resignation to the president.

The resignation was based on the fact that the National Rocha Movement cannot continue supporting the government's economic policy with its presence in the cabinet.

In the past three years of government, President Lacalle, who had inaugurated an unusual government coalition with the opposition Colorado Party, lost four ministers as a result of differences with the government's economic policy.

Wilson Elso Goni's estrangement from power must be added to the resignation of Livestock, Agriculture, and Fishing Minister Alvaro Ramos last January, who has not been replaced since then.

Two ministers who belonged to the Colorado Party also had previously left the cabinet.

Although Uruguay has a presidential system of government, the chief of state governs with minority support in Congress and therefore he needs support from other groups and even from the opposition to obtain the approval of laws and the national budget.

Pereyra had said that the eventual estrangement of his faction from government does not mean he will withdraw his support for President Lacalle in Congress, although the situation will be much more critical.

Broad Front Senator German Araujo Dies

PY1003011593 Montevideo Radio El Espectador Network in Spanish 1600 GMT 9 Mar 93

[Excerpts] Senator Jose German Araujo died early today. His funeral will be held tomorrow. He is being mourned at the headquarters of the political faction that he led, the Broad Front Unity Movement, on the corner of Italia Avenue and Garibaldi Street. He will be buried at the Buceo cemetery at 1030 tomorrow.

The Senate will hold a solemn session in tribute to Araujo at 1700 this afternoon. [passage omitted]

Araujo's seat in the Senate will be taken by Carlos Bouza, who is the alternate Senate member. [passage omitted]

PRC Foreign Minister Departs After Visit

PY1003010593 Montevideo Radio El Espectador Network in Spanish 0000 GMT 10 Mar 93

[Text] PRC Foreign Minister Qian Qichen left this afternoon for his country [as heard] after carrying out a full agenda. Qian Qichen continues with his tour to other countries within the framework of a long tour he began days ago. In Montevideo he met Uruguayan Foreign Minister Sergio Abreu, members of Congress, and the president of the Republic.

Qian Qichen invited President Luis Alberto Lacalle to visit the PRC in the near future.

Former President Julio Maria Sanguinetti and Deputy Roberto Asiain will visit the PRC on 4 April. They both met the PRC minister to discuss important issues for the two countries. It must be pointed out that Sanguinetti visited the PRC in 1988.

Venezuela

Six Injured in Prison Riot in Ciudad Bolivar

PA0803173093 Paris AFP in Spanish 1625 GMT 8 Mar 93

[Text] Ciudad Bolivar, 8 Mar (AFP)—Six people were injured on 8 March at the prison in Ciudad Bolivar, 440 km southeast of Caracas, during a riot caused by clashes between rival gangs disputing control in the prison, Prison Director Antonio Cabello Marval reported.

Cabello was one of the six casualties. In addition, two guards and three prisoners were injured by homemade knives.

The prison director told journalists the crowded conditions in which the prisoners live is one of the main causes of the problems of the prison, which was built 40 years ago to hold "socially rehabilitative" criminals and is now filled with very dangerous criminals.

Less than two weeks ago, 12 prisoners died in a similar riot in the Tocoron prison in Maracay, 70 km west of Caracas.

Various sectors have repeatedly criticized the crowded conditions in Venezuelan prisons and the problems stemming from the slow legal process.

'Violent' Demonstrations Break Out Near Caracas

PA0903170093 Paris AFP in Spanish 1618 GMT 9 Mar 93

[Text] Caracas, 9 Mar (AFP)—A new wave of disturbances shook Venezuela on 9 March as violent demonstrations broke out in Caracas, Los Teques, a bedroom community located 20 km south of Caracas, and San Felipe, located 200 km to the west, during an announced day of student protests, reporters in each of these places confirmed. One businessman was killed by a stray bullet and 10 students were wounded during clashes with the police during disturbances that took place in Caracas on the afternoon of 8 March. Today, one 14-year- old student was wounded and several people were arrested in the first skirmishes between students and police at the Campo Rico School, in the densely populated eastern Petare district. The students of the Gustavo Herrera School in eastern Caracas blocked a major avenue and tried to set fire to a truck.

Violence in Los Teques began in the early morning hours and 30 preschool children showed the symptoms of asphyxia after the police used tear gas to try to disperse the students. As noon approached, local police reported they ordered people out of the court and Municipal Council buildings after receiving bomb threats from unidentified individuals.

Police spokesmen stated 40 students were "detained" for abetting the disturbances and trying to commandeer a bus. Violence became widespread in Los Teques when peddlers demanding the right to work joined in. In San Felipe, students threw stones at the governors's building and occupied the main streets during their protests.

Perez on 'Confusion' Over Interior Ministry Fund

PA1003043693 Caracas Radio and Television Networks in Spanish 0001 GMT 10 Mar 93

[Speech by President Carlos Andres Perez at Miraflores Palace in Caracas—live]

[Text] Venezuelans: I will take a few minutes of your time to refer to the confusion created regarding a 250-million-bolivar adjustment in the Interior Ministry's secret expense fund, an amount later converted into U.S. dollars. In particular, I feel I must refute the slander uttered against me.

The budget organic law contains an entry called budget adjustments. Its purpose is to make up for budget deficiencies. The Interior Ministry alone requested 72 adjustments for security expenses from 1983 to 1992. Of these adjustments, $69.764 million were exchanged at the differential rate from 1983 to 1989, when I assumed office as president. During my government, only $17.240 million were exchanged because the differential exchange rate was discontinued in 1989.

When the disbursements had to be made in foreign currency, in U.S. dollars, with the differential exchange rate existing at the time, the Central Bank of Venezuela provided this currency at the differential rate, which is what we are discussing now.

The proposed adjustment was approved at the 22 February 1989 Council of Ministers meeting, according to the finance minister's agenda and the budget organic law. Not one of the ministers disagreed. Also according to the law, the Central Budget Office issued Resolution 87, which was published in the 24 February 1989 gazette. On 2 March 1989, the Interior Ministry issued an order of payment for 250 million bolivares. The Comptroller General's Office approved this order. Security and

defense expenditures, as the name implies, cover the expenses of security and intelligence services like studies; investigations; projects related to international policy; and the acquisition, repair, and maintenance of specific investigative and security equipment. This includes a number of aspects, including the safety of the president of the Republic and top government officials in and out of the country.

The nature of intelligence operations, information on international policy, security measures, and confidential information has prompted all governments to set up secret expense accounts. These expenses cannot be revealed because that would result in these security and defense operations losing their effectiveness. For this reason, the amounts allocated for state defense and security expenses are excepted from the control established by Article 28 of the Comptroller General's Office organic law. The law charges the comptroller general or the director general of the Comptroller General's Office with personally checking to see that the order of payment involved corresponds to security and defense expenditures. In addition, the Comptroller General's law stipulates that ministers handling security and defense expenses must control the use of these funds and personally account for the decisions made about such funds.

On 23 November 1989 I sent a letter to the ministers who handle these funds—interior affairs, foreign relations, defense, and justice—reminding them of their duty to inform me periodically of the expenses incurred and the responsibility described under Article 9 of the law, which outlines how they must personally handle these secret funds. Just as the Comptroller General's Office internal budgetary laws specify, these expenses may be authorized, as I have already said, by the ministers of interior affairs, foreign relations, defense, and justice. It is up to them to authorize the expenditures. This does not mean that the expense cannot originate in another government office, such as the Secretariat of the Presidency Ministry or the Armed Forces, to coordinate and effect security measures. The expense could originate in any public establishment or be incurred by any private citizen—in or out of the country. These funds, however, must always be assigned, like in this case, by the Interior Ministry, which is responsible for administering the secret funds.

By the date the budget was actually checked, the differential exchange rate was already regulated by Decrees 2484 and 2507, which state that in the agreements between the Finance Ministry and the Central Bank, a uniform controlled market exchange rate will be established for the following expenses and items: B. [as heard] Regular expenses and investments outside public branches, by which security expenses and current budget expenses are covered.

This was the case of the 250-million-bolivares budget adjustment. On 27 February 1989 the Interior Ministry's local general administration directorate wrote to the Finance Ministry foreign currency local division for imports, requesting authorization for the Central Bank to grant this foreign currency. This was approved by the Central Bank and the Interior Ministry was handed the equivalent of 250 million bolivares at the preferential exchange rate of 14.50 bolivares.

I understand from published reports and information gleaned by the Executive Branch, that when the Interior Ministry's administrative director went to withdraw the dollar funds, just as regular banking practices dictate, no institute has readily made available such a large amount. He instead was given an IOU, on which a mistake was definitely made in the name of the beneficiary. Instead of the IOU being issued in the name of the Interior Ministry, which should have been the case due, the Secretariat of the Presidency Ministry was named the payee. To correct the mistake, the Central Bank—possibly to avoid having to repeat the bureaucratic procedures—asked the administrative directors of both ministries to sign the foreign currency delivery receipt. This explains why the signature of the Interior Ministry's administrative director appears on a draft issued to the Secretariat of the Presidency Ministry. There was no legal violation of the budget procedure. Dr. Alejandro Izaguirre, who was interior minister at the time, has expressly admitted that all these funds were received and were used to pay defense and security expenses abroad.

How else can this situation be explained? If the idea was for the Secretariat of the Presidency Ministry to make use of the $17 million, the Interior Ministry would have simply forwarded it after receiving it from the Central Bank, since these funds belong to the secret budget and are not subject to any sort of control except by the interior minister.

From the beginning of the alleged report, I have given all necessary assistance to clarify this intentional confusion. The ministers and other officers summoned have appeared before Congress and the Superior Court for the Protection of Public Property.

The president of the Republic's refusal to answer the questionnaire sent by the Chamber of Deputies Comptroller's Commission special subcommittee in no way represents a confrontation with Congress. My undeniable duty is to be as conscientious as possible in maintaining the constitutional prerogatives and privileges of the Presidency. Such an appeal to the president is an unprecedented case in our constitutional history. By virtue of the high investiture of his office, the president cannot be subject to questionnaires or any political appeals. That is why the Constitution establishes the ministers as the direct channels to the president of the Republic. The Constitution forces them to answer summons and any questions they may receive. Through his ministers the president accounts for his acts to Congress. The Constitution also establishes that the president must present an annual report to Congress.

The dispositions contemplated in the criminal indictment code that anticipates the forwarding of a questionnaire by judges to the president of the Republic is, therefore, not applicable. In this case it would have been more appropriate to apply Article 90 of the Comptroller General's Office organic law, which states, quote: The president of the Republic, the president of Congress, and the president of the Supreme Court are excluded from any obligation to appear or make declarations before the Comptroller General's Office.

My position as president, head of state, is not one of confrontation or arrogance. A democratic regime establishes the way conflicts attributed to different constitutional interpretations are solved. That is why I have called on the Supreme Court of Justice to resolve this controversy. In addition, with the objective of fully cooperating with the Legislative Branch, and so as not to give the least impression of confrontation, I have ordered the Presidency ministry secretary, as a direct representative of the Presidency, to answer this questionnaire until such time as the Supreme Court of Justice resolves the controversy, which is the way it has been done.

Finally, the interior minister, who requested and obtained an adjustment, is categorical in his written deposition when he says that he managed the account according to the law. The president of the Republic received a statement on state security expenditures during foreign visits that were covered with the dollars included in this account. To ask for a breakdown of how these funds were spent would mean violating their status as classified expenditures that, because of their nature, cannot be disclosed. No government will ever publicly disclose these types of expenditures.

If it is believed that those in charge of ministries that handle classified budgets and the president who controls these budgets are not capable of managing them honestly, it is up to Congress to eliminate such sensitive entries from the budget. It is an illusion to try to say that budgets that are not managed openly will always be open to felonious or illegal acts. When heads of states are elected, there are certain issues that must be entrusted to them. It is impossible to assume dishonesty and to suppose from the start that administrative responsibilities will practiced with a criminal or immoral attitude.

A certain degree of trust is indispensable. I am not requesting it for myself, since I am about to depart, but for whomever the people elect during the next presidential elections to take place in December.

I can add nothing more. Those who have voiced an opinion on this case know perfectly well the sensitive but unavoidable duties of the ministers in charge of security and defense spending and of the president of the Republic, who controls these expenditures. That is why I reiterate that behind all of this is the intent to tarnish my reputation. I exclude those who are conducting themselves according to investigation requests ordered by Congress and the courts.

Their intent is quite clear. They were unable to overthrow me. They could not force me to resign. They were unable to modify the constitutional term that would have precipitated my departure.

Some of my most arrogant adversaries want to tarnish my reputation and that of my aides and to promote the climate of unrest suitable to the rumors that are constantly spread in Caracas.

Absolutely no illegal or immoral action has been committed here, which is why I am surprised by the actions of some politicians who lose nothing by speaking of money being stolen and speak of it for the sole and evident purpose of hurting me, placing me in a despicable position.

I have already experienced this ignoble kind of politicking. I am obligated, however, to report to the people that neither in this case nor in any other have I ever committed any unsuitable or abnormal act. I have always zealously defended the correct implementation of procedures established by the law.

I may be accused of having committed many errors, but never one having to do with an illegal or immoral handling of public funds. Throughout my life I have demonstrated that material wealth does not stir me. History stirs me, the fact that I have contributed and that I still contribute to my country's future. I am certain that my work will be registered with other efforts to modernize Venezuela's economic and political life, which is all I want.

I have always been in the sights of my adversaries. They cannot forgive me for the success I represent and for the efforts I have led. They never stop attacking me. I can understand that and I accept this as the price I must pay for having led one of the most audacious transformations of the country in the midst of the most severe crisis of contemporary history.

Thank you. Good night.

* Reportage on AD National Committee Meeting

* Celli Criticizes CAP

93SM0161A Caracas EL NACIONAL in Spanish 5 Feb 93 p D1

[Report by Rafael Nunez]

[Text] Caraballeda (special correspondent)—"Inflation, speculation, high interest rates, regressive distribution of income, freeing up prices, opening the market, and shutting off sources of employment—these are specific facts that have repercussions on the Venezuelan people's

quality of life, increase the poverty of the poor and the middle class, and add to the burdens on the Venezuelan democratic system."

This sums up the report presented yesterday by the president of Democratic Action (AD), Humberto Celli, to the party's National Committee of Directors (CDN) in Caraballeda. He reminded the audience that President Carlos Andres Perez's package of economic measures does not reflect the doctrine of his political organization.

Celli declared that in addition to the situation created by the "package," there is the destructive and demoralizing effect of corruption. "Even though the fight against corruption was one of the pillars on which AD was founded, specific acts committed during the party's administrations, perhaps not sanctioned but certainly widely known, place us in an uncomfortable and inconsistent position," he stated.

He emphasized the historical tradition of government officials regarding the public treasury as a natural territory for their personal enrichment, and the lack of penal sanctions, which are only applied when they coincide with some political interest or when it becomes necessary to sacrifice a scapegoat. The result is a hedonistic, profit-oriented, amoral society in which bad examples have proliferated, producing many overnight fortunes that have sent a great deal of money abroad.

With regard to the economic policy of Carlos Andres Perez (CAP), Celli emphasized that this adjustment plan, applied over a four-year period, had an adverse impact on the poor and the middle class. He noted, moreover, that the middle class is made up not only of civil servants, but also of officers in the National Armed Forces.

"Perhaps here we can find an explanation for the disturbances of 4 February and 27 November, military expressions of the civil uprising of 27 February 1989," he indicated.

Celli detailed the negative effects the adjustment plan has had for the national farm sector, which in his opinion "has created a dangerous situation of vulnerability with regard to food."

He described the increase in imports of agricultural products such as corn, oleaginous products in general, milk, and other commodities, and noted that private figures suggest that the current trade policy has eliminated normal supplies. In 1992, agricultural imports exceeded $1 billion, and at that rate, this year the total is projected to be about $1.3 billion.

Regarding the foreign debt, Celli pointed out that although about $32 billion of the debt service has been paid since 1983, the balance for 1991 is $27 billion, without including the IMF loan or the Venezuelan Petroleum loan. It is estimated that the debt will soar to about $45 billion in 1993, he stated.

"In round figures," said Celli, "this item eats up 28 percent of central government spending."

In his opinion, the government should pursue economic and financial policies that take into consideration not only international requirements with respect to the foreign debt, "but also the social debt that we are building up. This is a debt that has gotten bigger."

Regarding privatization, Celli indicated that it is a mechanism oriented toward restructuring the government within the context of a neoliberal policy that has been applied in Venezuela since 1989.

In his opinion, a policy of privatization in our country should be aimed at turning over to the private sector those economic activities that do not have a direct effect on sovereignty and the general welfare.

In addition, he observed that there have been signs of corruption in this process, including low asset appraisals and market manipulation.

One example is the Hotel Hilton in Barquisimeto: Two companies, Intercontinental and Hilton, participated in bidding, and the former withdrew in favor of the latter. Celli presumes that the opposite will occur in the bidding on the Intercontinental Hotel of Valencia.

Candidate Should Not Be Chosen by Rank and File

With respect to his party's electoral situation, Celli said that the voters' recent punishment of AD has weakened it. In addition to changes in the economic package, he thinks the style of leadership and the interaction of the executive bodies should also be modified to adapt them to the greater demand for participation in decisionmaking. He also noted that party-government relations should be improved, as there have been nothing but individual contacts in the last four months.

Concerning the upcoming elections, Celli believes it would not be a good idea for the presidential candidate to be chosen by the rank and file, because on earlier occasions this has led to internal problems and resentments.

He stated that if the decision is ultimately made to have the rank and file pick the candidate, the winner should be required to garner more than half the votes cast. Furthermore, to make the process legitimate, at least 40 percent of registered party members should vote, he emphasized.

"Anyone who obtained a relative majority of votes from a small pool of voters would not be a true representative of the rank and file, and the candidate would lack representativeness and legitimacy," he stated. "If these requirements are not met, there would have to be a second round of voting to choose from two or three preliminary candidates who had obtained a significant share of the vote, or, alternatively, an electoral college system."

* Meeting's Final Proposals

93SM0161B Caracas EL UNIVERSAL in Spanish 7 Feb 93 p 12A

[Text] Democratic Action closed the meeting of its National Committee of Directors and presented a series of proposals to the nation and the party.

The members of the executive body believe that modernizing the party's structures to bring it in line with the people's expectations is a top priority. Here is the text of the document titled "Caraballeda Accord":

The National Committee of Directors of Democratic Action, meeting in Caraballeda on 4, 5, and 6 February 1993, carried out a thorough analysis of Venezuela's political, economic, and social situation in light of the consequences of changes taking place in the world and the problems facing democracy and political parties today, given the emergence of new realities. These demand substantive changes in institutional life, on the following terms:

1) The crisis that the international community is undergoing is affecting the behavior of citizens, who today are justifiably calling for higher standards of living. Consequently, it becomes necessary to modernize political institutions with a view to making them efficient instruments for meeting the citizens' demands.

2) Democratic Action, the party of the people, has been at the forefront of the most important efforts at democratic modernization and national development. On this occasion it is taking the initiative and assuming responsibility for the fundamental changes, in keeping with its enduring popular vocation. It is aware of the historic challenge involved in winning the support of the citizenry with efficiency and grace so that it can continue the task of preserving and strengthening institutions and promoting the necessary changes oriented toward solving the problems of all Venezuelans.

3) We understand that these actions can be achieved only through the initiatives taken to modernize the party's structure, ideas, and systems, which can work effectively to heighten the awareness of everyone in the party and bolster our understanding of our historic role so that we will make a deeper commitment to Venezuelan society.

4) This commitment demands as a sine qua non the continued search for unity in the nation, in order to salvage the supreme values of institutional life, beginning with the compromised internal solidarity of our organization. In this way, it will be possible to win the support of all the forces that make up civilian society today.

Based on these considerations, the CDN resolves:

1) To send a warm and fraternal AD greeting to our comrade and president-for-life, Gonzalo Barrios, who for the first time has been forced by reasons of health to miss a major party event as important as this CDN meeting. It is a great shame that we cannot hear his words of advice, which have always been aimed at seeking unity.

2) To draw up a national communication plan to establish the necessary policies and define the necessary strategy so that AD can contribute to the democratic system through the mass media and demonstrate its support for that system by presenting a retrospective report containing statistics that show AD's accomplishments in democratic Venezuela in the areas of social development, education and culture, and civil rights, and in general, in the country's advancement and progress. The report should also show through scientific and technological achievements how the party and its leaders must stay in touch with new developments in the country, promoting the regeneration of AD.

3) To have the National Executive Committee appoint a multisectoral commission to conclude the studies on our party's programs and ideology presented by Carlos Canache Mata and draw up a schedule of activities involving workshops and forums at the national and local level for the purpose of holding an ideological congress. The national convention should approve the final version.

4) To devise a special strategy for women in the electoral debate, to give them real opportunities to exercise power on an equal footing in the various horizontal and vertical levels. This strategy should translate into a proposal for the amendment of the Organic Law on Suffrage, which is currently being discussed in the Congress of the Republic.

5) To give immediate attention to passing the equal opportunity bill, which is now going through a second debate in the Chamber of Deputies of the National Congress.

Position on Internal Campaign

6) The internal campaign should be oriented and directed institutionally, considering the following aspects:

- a) The formation of campaign commands should be avoided.
- b) Uprisings at all levels of the party structure should not be allowed.
- c) Travel programs should be equal for all preliminary candidates.
- d) The use of the media should be equal for all preliminary candidates.
- e) The internal campaign should not last more than 45 days.

Labor Unions

7) To step up political-labor training programs with an emphasis on training youths and relief cadres.

8) To orient the labor movement toward a combative action that will make greater social demands on the

government and the private sector and that will promote a balance between economic and social issues.

Agriculture

9) We demand that the party leadership remain true to the ideological principles that guided the struggles against latifundism, for the democratization of land ownership, and for the reorientation of rural society.

10) The current agrarian policy should be revised so that the sector can have an expectation of well-being.

11) Agrarian reform and agricultural development programs should be updated.

12) Credit policy should be revised so that state funding and funds obtained by the state can be invested equally in the financing of agricultural projects.

13) The execution of rural housing projects should be promoted in peasant areas, not in the areas where they are being promoted now.

14) Programs for research and professional training must be implemented.

15) The social security program must be extended to rural areas.

16) The national executive must be required to carry out rural highway programs expeditiously.

17) In view of the critical situation facing the country's agriculture and livestock sector, and because reliable food production is of the utmost importance to the nation, having a direct impact on the preservation of our sovereignty, the national government, through our comrade, Carlos Andres Perez, must be urged to move immediately to appoint a national commission to tackle immediately the measures and actions necessary to provide a quick, timely, and effective solution to this problem.

Miscellaneous Points

18) To instruct the CEN [National Executive Committee] to form a multisectoral commission to draw up a government program for our party and its presidential candidate and to submit it to the electorate as the sum of the party collective's aspirations, duly coordinated and sufficiently identified with the country's real situation.

19) To strengthen training and indoctrination programs, given that this is an indispensable tool for training leaders who identify with the party doctrine and the national reality, with a special emphasis on the municipal and local levels.

20) To establish a department of indigenous affairs in the CEN and in the CES's [Strategic Sabotage Command] of the federal entities where there are ethnic groups.

21) To carry out immediately a far-reaching and exhaustive study of the problems that Venezuelan youths face in the various aspects of their lives, education, housing, health, involvement in the educational process, etc.

22) To create a national program of leadership attention with a view to systematizing the problems that have been expressed, the initiatives necessary to resolve them, and a record of results.

23) To define a compendium of individual qualities that will set forth the preparation and political experience necessary to hold public office.

24) To exhort the organizations that uphold the country's democratic platform to engage in a discussion of the country's reality on the basis of precise diagnoses and effective proposals necessary for the consolidation of democracy.

25) To exhort the national executive to proceed with the drafting of the Organic Law on the Comprehensive Social Protection of Educational Employees so that it can be introduced in the National Congress.

26) To reiterate to the nation AD's request that the situation characterized by arbitrary efforts to deprive AD of its victory in the gubernatorial elections of the States of Barinas and Sucre be terminated with the promptness demanded by the nature of the matter at hand and the applicable legal provisions.

27) To reject as untruthful the opinion campaign that has been launched to give the impression that the winners were people who, in violation of the law, tried to take advantage of a de facto situation that was exclusively favorable to their own political interests, to the detriment of the respect that should be given to the results of the balloting that took place in Barinas and Sucre on 6 December 1992.

28) To respectfully urge the authorities who are charged with issuing the corresponding decisions to hand down their decisions in a timely manner, in accordance with the law, and thus to lend their indispensable assistance to the effort to safeguard the legitimate institutional interests that are being damaged by the unlawful conduct of those determined to undermine the people's faith in the electoral system as the only legitimate source of power in the country.

Education

29) To exhort the national executive to streamline the procedures involved in the decentralization of the education system, with an emphasis on the school campus as the nucleus of that process.

30) To exhort the national executive to submit to the National Congress the Educational Employees Retirement and Pension Bill.

31) To instruct the party's CEN to present the party's Educational Thesis at the next national convention.

32) To exhort the national executive to study the improvement and updating of technical education in the country.

Internal Conduct

33) The CDN deplores and emphatically repudiates the anti-AD and cowardly conduct of people who have circulated anonymous rumors containing vile and despicable allegations against party comrades. Truly pro-AD conduct involves discussing, debating in public, and never spreading ominous, anonymous rumors.

34) To recommend the participation of cultural groups that identify with our ideology and doctrine, as ideal vehicles for the party's political and institutional message. In this regard, the education and culture sector is urged to put together a streamlined, broad, and permanent program to institutionalize this practice at the community level and to provide these groups with systematic training.

35) To urge the CEN to rigorously enforce the current Retirement System for Members of the National Congress and the Legislative Assemblies.

36) To have the national executive designate a commission that will undertake an ongoing analysis, evaluation, and comparison of the objectives set forth in the Government Economic and Social Program and the results achieved.